

**NATIONALISATION OF TITLE DEEDS TO LAND
versus LAND VALUE NATIONALISATION,
IN NEW ZEALAND AND ELSEWHERE.**

A FEW words of local history may be a warning beacon to reformers in other lands if *Land Values* will publish the tale of our woes. When our Ballance Ministry was formed in 1891, the Premier having been the great Sir George Grey's treasurer in the first land value tax ministry of 1878 (*vide* Bucklin) "honesty" was the great cry. Ease the cruel burdens, tax the State-created privileges, and above all, reduce over-sea borrowing to a minimum. So the land value tax was laid on, and its municipal counterpart proposed, in lieu of the detested property tax—general and local. Then came the first blow. The Land Act of 1892 not only allowed the sale of freehold for cash or within fourteen years (harmless concessions to those who like the "shell" better than the "kernel"), but provided that leased lands should let for 999 years at 4 per cent. on the original value. This was the result of a compromise with the Tory watch-dogs in the Liberal camp. The State thus loses the whole increment of value, and does not get the large sum of cash to expend at once, this title being a worse bargain than sale of freehold both ways: while the State is enabled to hoist up an artificial value on Crown Lands (thereby raising the rental of all private landlords) by (a) the low-seeming annual payment of 4 per cent., and (b) the assuring to the tenant of 999 years' increase of land value. The State was thus, *in petto*, an active participant and profiter in the accursed game of land speculation, as Ballance was falling in health and his principles also. (He died under a year later.) The final blight first showed in 1892, likewise called by the specious name of "The Land for Settlements Act," which has spread since like a cancer throughout our Colony. By it money is borrowed in London to buy out selected landlords, the amount so far being several million pounds for some 350,000 acres. There is a "compulsory" clause, but in every case very good bargains have been made by the landlords—in one case £18,000 being given for an estate for which the owner had failed to get £8,000 on mortgage. Needless to say, this place has ruined almost all who took up selections, and lately the rentals have been much reduced and the areas of farms increased. This is the notorious Pomahaka, but other cases are almost as bad. There are cases again where £2,000 has been given for the tenant-right of quite a small property so leased as a railway was to be made—this within ten years of taking up. In a word, if lands go up the tenant gets the whole benefit; if they drop he is ruined and the State bears the ultimate loss; if they stand still the State racks the tenant for all above bare keep to find the interest to pay the Jews to pay the landgrabber, who has got the State security for his capitalised estimated increase of rentals—for the selling price of land is nothing more or less.

This is bad enough, but the other effects are worse. The State being committed to millions, sunk to buy title deeds, dare not offer its vast areas of Crown Lands except in dribbles, and at correspondingly over-high prices for settlement. The proof of this is (a) there are twenty applicants for every section of good land offered by the State, although (b) the valuations are ridiculously high, being protested against, *e.g.*, by the Farmer's Union, the chief rural association in the Colony. You see, otherwise, the title deeds would sink in value and pioneers make homes for themselves at moderate cost.

Then beside the huge areas of Crown Lands there are lands which belonged to the Bank of New Zealand, an exemplar of how a land speculating body can ruin many, and finally itself, in the hope to raise the price of title deeds indefinitely. The State is now a sort of trustee for this land, of a couple of million pounds of value, and for years has held it idle and out of use for the rise, except for a few

farms say every second year. To any student who knows that speculative land value is only at the price of human dignity and progress, while even using land value is the other side of the equation to the general standard of comfort in living,—to any such these cold facts must be painful, but to a New Zealander loving his country and knowing what a future should be ours the position is maddening. The "party of reform" are engaged in hardening up land values by legislation, by administration, and by huge injections of borrowed money; and the fact that no large landowners are foolish enough under the circumstances to cut up their estates for settlement is pointed to by the deluded "title deeds nationalisers" as a *reason* for their ruinous fad, in place of the *effect* that it surely is.

May I suggest a matter which lies at the heart of these problems. Ricardo showed that the landowner was the foe of every other class—as George says, "the ultimate robber." Now if all current expenses are laid on land values, and a surplus exists, what is to be done with it? The only way that rental of sites can be reduced in a prosperous State to a sum which will about meet normal outlay is a vast improvement in the popular standard of comfort, by shortening of hours of labour below the margin of increasing product, by better clothes, more food of higher value, and all such; as a right of man, not the privilege of a class. I have elsewhere outlined a proposal for an acreage exemption from land tax as a step to this end, but the fact remains, under a normal single tax government the State would be over-done with money as long as people maintain the existing rule of civilization, to give all but bare sustenance to the landlord, State, Duke, or Shylock. The "land titles nationalisers" avoid this difficulty. For several generations to come every degradation of the comfort of the people must be eagerly welcomed, as giving a larger rental (or State profit) above the landowners' bonds' interest, from a given national output of wealth, under this fallacious proposal which I am very sorry to understand a large number of whigs and landlords keep up in Britain. Even if interest is not paid, the smaller landlords—the vast majority—have to back bills of huge extent for the benefit of a very few, as presumably the plan would make land values pay off the bonds as well as current taxation of all sorts.

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THE MORAL OF PENRHYNISM.

MR. C. P. TREVELYAN, M.P., addressing his constituents in the Elland Division (York), declared that the Government was out of touch with the democratic feeling in this country. There was a dreary, weary struggle going on between Lord Penrhyn and his quarrymen. His lordship had been able to get the assessments of his quarries reduced by half, and thus to pay only half the rates due for them. This arrangement brought into prominence a point which he (Mr. Trevelyan) had often urged, that our rating system ought to be based on the land values and the underlying values of the property. They could clearly see that if Lord Penrhyn was taxed on the land and mineral values of his quarries, and if he had still to go paying on those values, whether the dispute with the workmen continued or not, it would be to his interest to come to terms with his men, and to use his quarries as he ought to. *London Daily News*, 10/2/1903.

NOT THE SINGLE TAX.—Bishop Williams, Presiding Bishop of the Episcopal Church in America, and who lived all his life a bachelor, was talking one day with a young man about a tax on bachelors which it was proposed by one of the States, to impose on bachelors, the tax to be increased a certain per cent. for every ten years of bachelorhood. "Why, Bishop," said the young man, "at your age you would have to pay about £100 a year." "Well," said the Bishop quietly, "It's worth it."—*Exchange*.