

This form of rating has also been approved by the following British Prime Ministers—Campbell Bannerman, Balfour, Asquith, Lloyd George, Hughes, Seddon, Ward and Massey.

These remarks have not been written with the idea of lightening the burdens of the New Zealand Insurance Co., Ltd., but with the object of directing attention to the iniquitous and ridiculous system of rating in the City of Auckland. While there are individuals and companies well able to pay all rates that are imposed, still it is on the less prosperous sections of the community who are likewise taxed on their homes, that the heaviest burdens fall.

Surely it is high time that the workers, businessmen, house-owners, and others should sit up and take notice to the end that this silly system of rating should be reversed.

G.M.F.

A Modern Building and an Old System. 2-407

Considerable attention has deservedly been attracted to the magnificent building recently completed in Queen Street by the New Zealand Insurance Co., Ltd. Probably there is no finer commercial structure in the whole of the Dominion. The enterprise of this company in erecting and furnishing this handsome block commands approval from both visitors and residents.

But it requires just a little consideration of some facts which are not in the same public view regarding Auckland's rating system and this fine building to make a very painful contrast. To the majority of people the ridiculousness and inequity of the situation would never have occurred.

It may come as a shock to many to know that the progressiveness and foresight of the Directors of the New Zealand Insurance Co. will be rewarded by the imposition of a considerably increased annual fine. Though this nominally goes under the heading of rates, still it is none the less a penalty inflicted to meet an offence of this kind. In

a polite way it is really a form of blackmail, the fact that the victims in this case may be well able to pay is no justification for a wrong act. For the City Council to come along and levy higher rates on the New Zealand Insurance Co. for something for which they, the Auckland City Council, render no additional services to what they did when the company had the old building on the site, is a violation of just principles and commonsense.

For one thing the City Authorities arbitrarily limited the height of the building in order to bring it within the effective limit of the fire-fighting apparatus.

No better roads, footpaths, water supply, fire protection, or lighting have been provided than was available for the old building. It must also be remembered that the New Zealand Insurance Co. has provided the whole of the capital necessary to erect this marble-faced building. The City Council was not called upon to lend or give one single penny, yet it has the effrontery to ask for higher rates.

The company, after providing opportunity for the services of all sections of labour and the expenditure of large sums in all classes of industries, is punished in this manner. Probably they have spent £100,000 on the property, and their rates on the same area of property will be four or five times greater than on the old building.

The City fathers and the citizens profess to be in favour of a city beautiful, and would be delighted to see the whole of Queen Street lined with buildings of a similar standard to the New Zealand Insurance Co.'s building.

Yet here is a deliberate effort to discourage progressive citizens and firms who want to improve the æsthetic aspect of this city.

A comparatively short study of the rating question should convince anyone that the present system of rating and taxing improvements must have been devised within the walls of a lunatic asylum. Does it not appear reasonable that if a community wants to have fine up-to-date buildings and numbers of modern sanitary houses the best thing to do would be to encourage their erection and not penalise at every turn the people who put up the money and indicate their enterprise by so doing. Rating on the capital or annual value helps to perpetuate dilapidated buildings and old houses. The effect of such a form of taxation is more clearly seen in the poll-tax on Chinamen and the dog-tax, which are definitely imposed with the object of making Chinamen and dogs scarce. The singling out of improvements for high rating has just the same effect. Would it not, therefore, be the wise thing to abolish all rates on improvements and increase them on the unimproved value which automatically rises with the growth of population, and the expenditure of public money. By this means adequate revenue could be obtained, equity be observed to the ratepayers and justice be given to the people who spend money in development work.

The cities of Sydney, Vancouver, Wellington, Christchurch, and 150 rating authorities in New Zealand now operate under the same system of exempting improvements and taxing land values.