

Supplement to "Liberal Leader of N.Z.", August, 1950.

COPIES OF LETTERS

FROM:

RT. HON. SIR GEORGE GREY, P.O., K.C.B.,

Former Governor and Premier of New Zealand.

2-410

TO:

MR. HENRY GEORGE,

American Author on Political Economy, New York, U.S.A.

Compiled from photostat copies supplied by the courtesy of
the Director of the New York Public Library.

AUCKLAND, N.Z.

October, 1949.

From the Rt. Hon. Sir George Grey to Mr. Henry George.

Kawau (Island, Auckland)
New Zealand,
Feb. 23rd., 1891.

My dear Sir, I am not very well, and cannot write at length. I have had the pleasure of receiving two copies of the 4th edition of your work. I have sent one copy to a friend of mine in this country, asking him to review it--which I have no doubt he will do--and I will, when I receive it, send it to you. I am glad to hear your work is being translated into German. I trust it will have a wide circulation. Rest assured you have done a great service to your fellow men in writing it. The thoughts it contains are great ones, and many of them are of very great originality. I peruse it constantly with pleasure, and thus to know you. I am told you are writing for some monthly publications of Messrs Appleton. What is the name of it? I have, at your request, sent you a few of my speeches. I do this to please you, by doing what you ask.

Truly yours,
(Signed) G. GREY.

PARNELL (Auckland, N.Z.)
3rd May, 1890.

My dear George, In my last letter I told you that your not coming to New Zealand will be the cause of most serious disappointment here. You will have heard from Wellington that a gentleman there is prepared to lay down £320 to secure four lectures from you in New Zealand. So much therefore is sure, but others will give largely to be certain of having lectures on the land question being spread on this subject. I could not urge you to do anything you think wrong, but I hope you may think it right to do so. That this may be the view you take of it is the earnest wish of yours truly,

Henry George, Esq.,
C/o E.W. Foxall, Esq.,
248 A, Pitt Street, Sydney, N.S.W.

(Signed) G. GREY.

PARNELL (Auckland)
17th May, 1890.

My dear George, I sent you a telegram giving you my view, which I took a day to deliberate over, as to the effect of your not coming to New Zealand.

Should be sent to Mr. H. G. Grey, Auckland, N.Z.

When your decision arrived regarding your immediate visit to Europe great disappointment was felt, but since that, the General Assembly (Parliament) has been called together for the 19th June, and it is quite possible that a dissolution may take place in two or three weeks after that date, and a general election will then follow without a day's unnecessary delay. These circumstances have turned the public mind altogether in that direction, and they think little of any other political question. It appears to me, therefore, that not much good could be done in the midst of the tumult of a general election, and I feel quite satisfied in my own mind that there is almost a certainty of a considerable majority being returned in favour of the Land Tax--that is, a tax on unearned increment, and I believe that the old Act of 1879 will be re-enacted. I have written to have six copies of that Act sent to you, to the care of Mr. Foxall. What I think at least must be done, is to carry a resolution to repeal the Property Tax, and if that is done a dissolution will take place and a new Parliament will be returned, who then, I think, will pass the Land Tax Act, and New Zealand will then again be the first country to have that Act in force. I must now remain here until the elections are over, and be present at the short session which will then take place. From what I have now said you will fully understand the position here. It is to me a grievous disappointment to have seen so little of you, and to be absent from Europe at the time when such important affairs are taking place. To have gone with you would have been a great pleasure to me, and I believe I should have derived some advantage from an intercourse which would have brought under our almost hourly review such numbers of important subjects which must be speedily settled in this, the greatest age of advancement which I believe has swept the world for many centuries. A foundation for a totally new state of things is being laid, and this foundation is to rest upon a (total) basis of almost the entire world, at least upon all those nations who now exercise the greatest control over human affairs. You have expanded a spark into a blaze of thought, and of unselfish conceptions, which is spreading to every part, and ennobling countless minds. It seems almost hard that I cannot from a nearer point of view than New Zealand watch the progress of these great events.

I should like to direct your attention to one point regarding Ireland. As far as I understand the Government's Land measure, they will simply borrow vast sums of money on the public credit to spend too profusely in purchasing the lands of their own friends and supporters, and that these lands will generally pass into the hands of the existing tenants, often still as very large estates. As far as we know what the Act is, in this Colony, I do not see what provision is being made for the evicted and ruined previous to this.

I sent to Mr. Foxall's address two copies of an Act I have introduced into the Parliament of New Zealand, and could, I believe, have carried there, had it been ever allowed to be fairly brought forward, but, by an adroit use of parliamentary manoeuvres, it was either strangled in a hostile committee, or prevented from coming up for discussion, by the Government taking the day on which it was to come on, for their business. It will, however, yet, I think, be the law of the land.

Very truly yours,

Henry George, Esq.,

(Signed) G. GREY.

AUCKLAND (N.Z.)
May 21st., 1892.

My dear Fellow-worker,

It is a long time since I have written to you, but my thoughts often wander to you and your noble work. Do not be cast down by any apparent difficulties that may cross your path. You have done a very vast amount of good; and thus achieved a wonderful success. I have just kept my eightieth birthday. I send you a life of myself issued on this day. I send you a copy, also a copy of our local Graphic--and a newspaper which publishes the copy of a letter you wrote to me some years ago, thus we keep your memory alive. I have a (badly) sprained wrist, and thus write with pain and difficulty, so I close my letter, very kindest remembrances to your wife,

Affect'ly yours,

(Signed) G. GRAY.

Supplement to "Liberal Leader Of N.Z.," August, 1950.

COPIES OF LETTERS

FROM:

MR. HENRY GEORGE
(Born Philadelphia, 1839; died New York, 1897)

American writer on Political Economy;
Author of "Progress & Poverty," "Protection or Free Trade?",
"Social Problems," and "The Science of Political Economy," etc.

TO:

RT. HON. SIR GEORGE GREY, P.C., K.C.B.
(Born Lisbon, 1812; died London, 1898)

Former Governor of South Australia, 1841-1845
" New Zealand, 1845-1853
" Cape Colony, 1854-1857
" New Zealand, 1861-1868
Superintendent, Auckland Province, 1874-5
Elected as Member of Parliament for Auckland, 1875.
Premier of New Zealand, 1877-1879
Retired from Parliament, 1890
Elected to " 1891
Retired from " July, 1895

Copied from the originals in the Auckland Public Library, by

Mr. George M. Fowlds, June, 1949.

NOTE BY MR. G. M. FOWLDS

ON March 1st., 1890, Mr. and Mrs. Henry George passed through Auckland, N.Z., on their way to Australia, where Mr. George was to conduct a lecturing tour, and Mrs. George to visit her birthplace, Sydney. A small gathering of his adherents, headed by the Rev. Gulliver, Chairman of the Anti-Poverty Society, met him on the steamer "Mariposa," which was held for two hours while he had an interview with Sir George Grey. In the course of conversation, Sir George Grey is reported to have said:

Mr. George is, I may say, an old friend of mine. I have corresponded with him for years, and I have to thank him for many ideas. I have to thank him also for a copy of his first book, "Progress and Poverty," and that has been my companion for years.

Writing to Henry George from Auckland, on 27th Jan., 1887, Sir George Grey said:

I have already read a large part of the book, "Progress and Poverty." I regard it as one of the ablest works on the great questions of the time which has come under my notice. It will be of great use to me. . . . It has cheered me much to find that there is so able a man working in California upon subjects on which I believe the whole future of mankind now mainly rests.

Speaking in the N.Z. Parliament in 1882, Sir George Grey said:

I saw enough there (in Ireland) to give a bias to my mind forever as to the necessity for change and reform. It was really from a desire to find relief from that misery that I went to Australia. In all my walks on deck in my first voyage, my mind was filled with the thought of what misery there was in the world, the hope there was in the new lands, and the greatness of the work of attempting to do something for the hopeless poor. The efforts to get land made by single individuals seemed to me a wrong to humanity. To prevent such a monopoly in the new countries has been my life work ever since.

LETTERS from HENRY GEORGE, U.S.A., to RT. HON. SIR GEORGE GREY.

Sir George Grey.

417, First Street,
SAN FRANCISCO, CAL.,
July 3rd., 1880.

AUCKLAND, NEW ZEALAND.

Dear Sir:-

I have not yet received the speeches you were so kind as to say you would send me; but would much like to have them. Your position and large opportunities for observation lead me to attach peculiar value to your opinions, and I would like to know how far they accord with my own.

I am sorry to hear that you are not likely to come this way. I hoped for the pleasure of seeing you, and I hoped also that you intended to make your influence felt in England. There is a great work there to do, for England is still the centre and radiating point of Anglo-Saxon thought, and in New Zealand as in California we are on the circumference of the world. Though local influence may be exerted, it is talking against the wind. And they need in England some men who have had experience out of England--in these newer Englands which are in America and the southern Hemisphere growing up.

You appreciation of my book (N.B., "Progress and Poverty," published in 1879) was very grateful and cheering. When you shall have fully read it, I should, if not too much trouble, like to know your opinion. The book is doing well in U.S.--much better than I had any right to expect, and is going into its third edition in New York; but though I have sent a few copies to England it does not yet seem to have attracted much attention there. Should it be in your power to bring it to the notice of any there whom it might interest, it would be to me a great service. With much respect,

Yours very truly,

(Signed) HENRY GEORGE.

Sir George Grey.

NEW YORK,

Nov. 30th., 1880.

Dear Sir:-

Your letter reached me here. I came East intending to make a brief stay but have concluded to remain here for a while. I am not advised whether the Hansard (N.Z. Parliament Report) you sent me is in San Francisco, but have sent for it, so that if it has come all right I will shortly have it.

I am not sure whether I ever saw the term "New Crusade" used in that sense before. Perhaps in some indirect way your thought has reached mine, and that in this as in other things we see things alike simply because they are there to see. (In the first clause of this sentence Henry George seems to have anticipated modern discoveries in telepathy. Ed.)

It would please me very much to meet you. I regret you are not in England now. I believe a movement has commenced there of which neither side yet see the importance.

I am much gratified by your appreciation of my book (P. & F. and I have sent you two copies of the new edition. May I ask you to send them to some of our newspapers or periodicals, where they will be noticed? I am in hopes that there will soon be an English Edition. The German translation is being published in Berlin in parts, some two or three having already appeared.

If you are able to send these copies where they will be reviewed, will you be kind enough to send me copies of the papers? My New York address is care of my publisher, D. Appleton & Co. Unless something unexpected occurs to call me back to San Francisco, I shall remain here for some time. One can do more at the centre than at the circumference. I would much like to go to England, but that at present is out of my power.

Hoping some time to see you, and in the meantime to hear of and from you,

I am,

Yours most sincerely,

(Signed) HENRY GEORGE.

Sir George Grey,

My dear Sir:-

NEW YORK,
Sep. 26th., 1881.

My summer has been consumed in a trip to California. On my return I found your speech of July 12th. You can imagine how much it pleases me. I wish I had more copies of it, as there are a number of our papers to whom I would like to send it, but I will do the best I can with what I have.

You could ill be spared in New Zealand yet. I cannot help wishing you were in Great Britain, where you would have a world-wide audience. It is becoming more and more evident that the Land Question is soon to come up in England, and, I think, will take radical shape.

I have long wanted to go to England, and, at last, my wish bids fair to be gratified. I expect to sail in a week or two, to remain at least three months and probably longer. I anticipate not merely the pleasure of seeing what every intelligent American must still regard as his mother country, but also the acquiring of much information, and I may be able to help on the cause more even than I could here. I do not yet know what my address will be, but as the Radical, 3 Shoe Lane, E.C., has been very complimentary to me, and taken a great deal of notice of my book, I will take the liberty of making that a provisional address. This paper, a file of which I have received since my return, is well worth your seeing, and if you have not sent a copy of your speech to it I think it would be well to do so.

Yours sincerely,
(Signed) HENRY GEORGE.

Melbourne Hotel, Wharf Street,
Maryborough, Queensland, Australia.

My dear Sir George,

It was a great disappointment to get your despatch last evening. I regret to leave this part of the world without seeing New Zealand, but I still more regret leaving it without seeing more of you--so much so that had I realised it at the time I think it would have deter-
mined me to accept Mr. Shine's offer.

However, I am glad that I have at last met you, and for the rest of my life you will be to me not a name, but a living personality. I never met a man whom I wanted so much to know, and from whom I felt I could draw so much knowledge and inspiration. Our external standpoints have been so different, in many respects so opposite, and your experience so rich and varied where mine has been deficient, as to make that which we know in common intensely attractive. And now that I have seen your face and grasped your hand, and heard how those among whom you have lived speak of you, I feel for you that affectionate admiration with which the younger men look up to the older man with whose views and aims and struggles he sympathises.

But your faith is mine. We are really "living in eternity." It may be that we shall live again in this world, but if not, there must be somewhere, place and time where good men shall know each other. And for the present it will be a good deal to me at least to have met you here. (In the penultimate sentence Henry George seems to have anticipated the findings of modern spiritual science.--Ed.L.L.).

Your telegram, which I received here on Sunday, and for which I heartily thank you, at once determined me I would like exceedingly to visit New Zealand, but the reasons against doing so now are even stronger than I feel them. This trip has been a very hard one--constant speaking and travelling, with all the faculties on the strain, and I begin to feel it. My wife too, though she has stood it remarkably well, begins to show that she needs rest, and while I have no advice from home that call me there, and while it may be that I shall not be specially needed, yet it may happen that my presence before the important Congressional (and some State) elections that may come this year will be exceedingly useful.

We leave Maryborough this p.m. for Brisbane. I speak there Friday, at Ipswich Saturday, in the Brisbane Presbyterian Church on Sunday, at Armidale Monday, then two other places; and then get to Sydney, where I am to speak on the Saturday. Unless something unforeseen occurs, we will take passage

in the "Valetta," going overland, speaking once in Melbourne and Adelaide, leaving finally on the 14th, and getting off the steamer at Brindisi.

Unless letters or telegrams call me home more speedily, we will take about three weeks to London, and a couple of weeks in England, where I will not do any speaking if I can avoid it, but want to see Michael Davy and a few of our friends. I have not been able to keep track of what has been going on there, but it looks to me as if the day of reconstruction lines (Not clear--perhaps "for" reconstruction lines) has about come.

What a tremendous fight it is that we have entered upon, with all the forces of conservatism and socialism against us. But I have a perfect confidence in the result--whether that comes quicker or slower.

I think my trip has been really useful, though it has been badly arranged and with a large waste of force. I wish I could go through this country without admissions (presumably "prices" or "admission tickets" is meant.) I don't like lecturing, and have never regularly engaged in it, but it is the only way in which I can do such a trip.

In New South Wales, South Australia, and Queensland, circumstances favour us, and I look for a step in advance in each of these colonies. In Victoria I think some opposition to protection ("protective" tariffs) has been aroused which will take form and excite discussion.

I found in the Adelaide Public Library Wakefield's "Letter/Between a Colonist and a Statesman," which are remarkable as showing how clearly he perceived the relation between land and labour, though as it were "hind end foremost," and shall try in London to get this and some other of his works. I also saw, though I could no more than glance at them, some most interesting volumes of official papers relating to the early days of South Australia. I trust you are taking steps to leave behind you some record of your life. The most interesting and instructive form of history is biography--and yours, it seems to me, would be interesting and so instructive that it ought not to be lost to the world.

I am sorry that I could not have made my trip through these colonies more one of observation than of speaking; of taking in rather than of giving out. There is much in their institutions that interests, and much that, to a certain extent, perplexes me--their centralisation, their proneness to State administration, and their fixed Civil Service. It is hard to form an opinion by inquiring of men who are used to one set of institutions, and have hardly thought of any other. But it seems to me that the people are remarkably well satisfied with the structure and workings of their governments.

The permanent Civil Service seems to have undoubted good features, but as to how far the tendency is to harden into a bureaucracy I cannot clearly tell.

I heard Sir Henry Parkes' speech on Federation, but it seemed to me that what he had in his mind was rather the formation of one big colony than true federation. And so far as I can observe, there is no strong desire for it among the people, though there may be acquiescence in bringing it about.

There is so much, however, that I would like to talk over with you I must stop my pen. I look forward to the letter from you, and though both of us are too much pressed for much correspondence, I shall have the pleasure of hearing from you again.

Yours sincerely,

(Signed) HENRY GEORGE.

P.S.: My wife joins me in the warmest regards, and we both desire to be remembered to your niece, and to the Auckland friends whom we met. By the way, the paper which one of them got for me on your suggestion, was either a wrong number or I mislaid it in some way, for when in the steamer I came to look for the article you spoke of, could not find it. If you can readily get it, will you send me a copy? Will you also enclose with it another copy of your speech just before I arrived?

TELEGRAM to HENRY GEORGE, May 16th., 1890:

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Cannot take responsibility of advising change of plan. Cannot assert that such change would be repaid by advantages gained. If you desire to come and do so, members would be delighted to welcome you.--

GREY.

To Sir George Grey.

WASHINGTON, D.C.,
June 18th., 1892.

My dear Sir George, I was glad to get your kind note, and to receive the copy of your biography, from which I anticipate much delight and instruction. I am glad that a record has been made of such a life.

I had hoped to have met you in this hemisphere, but as you say nothing about coming I presume I must abandon the hope. But we look eagerly to New Zealand and the good work that is doing there.

You probably know as well as I do how great is the advance in our direction that is going on in England. Mr Saunders writes me that over ninety per cent. of the Liberal members who will be elected to the new Parliament will be pledged more or less definitely to the taxation of land values. Of course, with this there will be a good deal of admixture of ideas which you and I cannot approve, but my hope for Great Britain is that where discussion goes on it is truth that always shows the staying qualities, and that in the conflict of all sorts of schemes the natural order must prove the line of least resistance. In the United States we are making very good progress, although this may not be clearly perceptible to us at a distance. But the progress is there in that which endures--thought, and which is certain to bear fruit in action. I have sent by this mail some documents which I ask you to place among some of your prominent men whose addresses I cannot give from memory--that give some indication of this. The Congregational reprint of my "Protection or Free Trade?" is very important: 700,000 copies are now being distributed, and in a few weeks it is certain to go to a million, which may well be 2,000,000 before the campaign is over. You will see that it bears the semi-Democratic endorsement, which will have great effect in turning the campaign on radical lines, as the Republican Party will denounce them for distributing so radical a document. I hope soon to send a copy of a book on which I have been recently engaged. I have been working very, very, hard, for there is much to do--but quietly. My wife joins me in warmest regards.

(Signed) HENRY GEORGE.

The Richelieu,
Michigan Avenue,
BOULEVARD.

CHICAGO,
June 19th., 1892.

My dear Sir George, Permit me with this to introduce you to Major A.R. Calhoun of Brooklyn, New York. Major Calhoun saw service in our Civil War, and has since been engaged in literary occupations. He visits the Southern Hemisphere for the purpose of writing some newspaper letters, and as on his trip--which will include South Africa--he will at least have the opportunity of stopping at Auckland, if not of visiting New Zealand, I trust he will have an opportunity of calling upon you, especially as he is a single-tax man, and therefore specially interested in the progress you are making in New Zealand, and of which he will have opportunity of making our people better informed. Anything you can do to put him in the way of learning of the working and reception of your new law, which so far approaches the single-tax, will be especially useful to him and much appreciated by

Yours with affectionate respect,

(Signed) HENRY GEORGE.

(This concludes the Letters. The next pages comprise reports and reminiscences kindly supplied by Mr.G.M.Fowlds.--Editor, LIBERAL LEADER OF N.Z.)

VISIT OF HENRY GEORGE TO AUCKLAND, NEW ZEALAND, MARCH 1st., 1890.
(From "Auckland Star")

Upon the arrival of Mr. and Mrs. Henry George by the "Mariposa," on their way to Sydney (the birthplace of Mrs George), a reception was held in the "Star" Hotel, when there were present: Sir George Grey, Rev. E. H. Gulliver, Dr. B. C. Beale, C. Wright, G. Peacocke, W. J. Napier, F. M. King, A. Kelly, H. W. Farnall, E. Withy (later M. H. R.), --Baulf, --Jennings, --Dunne, R. H. Hooper, W. E. Hay, W. White, R. A. Hould (late editor of the "Liberator"), and others. After Mr. George had been made an honorary member of the Auckland Anti-Poverty Society, an address of welcome from the Anti-Poverty Society, the Knights of Labour, and the Progressive League of Auckland was presented:--

TO MR. HENRY GEORGE:

"On the occasion of your first arrival in New Zealand, and, we who have long watched with heartfelt sympathy and admiration your able and fearless advocacy of the common right of every man to a just share in the soil of the country to which he belongs, desire to welcome you as the foremost leader in the great cause of land reform, upon which, as we believe, the social amelioration of civilised humanity in great measure depends. We desire to express our sincere gratification that you have been enabled to visit these Australasian colonies, feeling assured that the personal promulgation of your views in our several centres of population will materially hasten the achievement of a social and political reform which is based upon principles of common sense and natural justice. We trust and believe that the result of your mission will be to powerfully aid in dissipating the cloud of prejudice through which many, even in these new lands, view the existing land tenure, and the fiscal policy with which it is connected--a prejudice born of ignorance, and the false impression concerning the aims and objects of the single-tax party, assiduously fostered in the public mind by the influence of a self-interested section of society. As self-respecting Anglo-Saxons, we desire to gain nothing by violence that can be achieved by legitimate political action. We claim to be the champions of the truest public honesty, and the sacred right of every man to the undisturbed possession and enjoyment of the entire fruits of his own industry. As the acknowledged leader in the cause we all have at heart, as brother in race, and as the friend of man, whose brilliant genius, dauntless spirit and warm human sympathies command the respect and esteem of all good men and true, we joyfully greet your coming amongst us, and wish you God-speed in your labours, until in due course you again reach this city to give us, we trust, a public exposition of the great question with which the name of Henry George is so indissolubly and honourably associated."

Signed on behalf of the above bodies,
(Rev.) E. H. Gulliver, R. A. Hould, A. Kelly, B. C. Beale, E. Withy,
G. L. Peacocke, H. W. Farnall, C. S. Wright, R. H. Hooper, A. Withy, T. West, J. J. Poland, A. Cowley, F. G. Platt, J. Batty, (Rev.) J. H. Simmonds, J. G. Walsh, W. G. Ramson.

In reply, Mr. George said:

"The visit has peculiar interest to me as an American--one of the people who were the first great off-shoot from the Mother Country, the first of the great new nations, who are destined to prove in the coming time a power greater than that of Rome in the old civilisation.

It is of especial interest for me to come amongst the newest of these communities, for New Zealand is the newest of these colonies, and of the same age as myself. Fifty years is a long time in the life of an individual, but it is only a day in the life of a nation.

Your very youth, and the fact that you are the youngest among the Anglo-Saxon nations that are springing up, gives you a very great advantage. The study of what you are doing, the advance you have made, and the mistakes you have committed, are fraught with interesting lessons, and our own mistakes in America

may be of great use to you in New Zealand. Men like your own Sir George Grey (former Governor and Premier of New Zealand) (Applause) have been working in that direction."

Therefore the object of the Anti-Poverty Society was no dream of dreamers or of cranks. He believed it was possible, because God was good, that He would not support injustice. Those who worked in this cause were working, not merely for the good of their children, but for the whole world. Taking Mr. Gulliver by the hand, Mr. George concluded: "In that spirit which binds us all together, whether it be under the North Star or the Southern Cross, I thank you."

Mr. Gulliver said an uncrowned King was among them, who really ought to have presented the address, although he himself had been asked to do so. He referred to Sir George Grey, who said he had to thank Mr. Henry George for many ideas. He had been his companion for years in working out this great question.

Mr. George said that nothing had given him greater gratification than the fact of meeting Sir George Grey. He felt that Sir George was a little in advance of his time; ten years ago he had given the people of this colony that which would have made them the leading English people in the world--the germ of the single-tax, but it was too early; the seed was sown, but the ground was not prepared. He hoped Sir George Grey might yet live to see it grow and cover the whole earth. But it mattered little now who lived or died, for time and tide were with them. What they aimed at was simply the culmination of Christianity, to bring into effect the Golden Rule, to bring on earth that Kingdom of Righteousness which the Maker had designed.

-----O-----

"I think if ever there was a time in the world when a man who was capable of doing anything should feel it is a good time to live, it is now."

"You are building here a community which in a short time may have a population as large as that of the Mother Country. It is not merely the destiny and improvement of the nation that is being secured by you, but of the whole world."

"For a long time our race must be the leading one in the world, leading, let us hope, the van of civilisation."

-----O-----

From a report of an interview in the "Auckland Star," March 1, 1890:

You should lose not a moment in joining yourselves in federation with your British neighbours in this part of the world. I shall always be in favour of federation of the British Colonies.

(The federation of the Australian States was then being considered, but New Zealand declined to join.)

N.B.: The reference by Henry George to the germ of the single-tax introduced by Sir George Grey was (writes Mr. G.M. Fowlds) to the first Land Tax of 1d in the £, passed in 1878, but was not collected, because the Liberal Government led by Sir George Grey was defeated, and when the Conservatives obtained office they rescinded the Act.

LAND VALUE TAXATION IN NEW ZEALAND

NOTE BY MR. G.M. FOWLDS

The reference in the letter of Sir George Grey to the New Zealand land-tax (of one half-penny in the £) imposed in 1878 (the year before the publication of "Progress and Poverty") was that imposed when he was Premier, and Mr. John Ballance the Colonial Treasurer. But before the time came for the tax to be collected, the Liberal Party, under Sir George Grey, was swept out of office, and the land-tax immediately repealed by his Conservative successors. This reverse was made possible by the system of plural voting in vogue. Then in 1890, when the Liberal Party, under the leadership of Mr. John Ballance, was returned to power under adult suffrage, it promptly repealed the general property-tax and imposed a tax on land values of 1d in the £, with an exemption of £500. Over the years the rate of this tax was graduated, ostensibly to break up the large estates, but in a measure this was circumvented by family subdivisions and in other ways, and the benefits of the Act were further vitiated by allowances for mortgages. The advocates for the appropriation of ground rent are opposed to the graduated tax, and would prefer a flat rate without any exemption for mortgages.

Though tremendous increases have been made in amounts collected from other sources, such as income-tax, Customs, sales-tax and death duties, the land-tax has remained for many years in the neighbourhood of £1M per annum. This is largely accounted for by reason of the fact that during the depression periods of 1921 and 1930, at the instance, it is alleged, of the Government, revaluations were made on a reduced scale; and in other cases, owing to the war and shortage of staff, revaluations have not been made in some districts for from 10 to 15 years! Despite the large increases in population since 1930, the total valuation of the land today is still well below the figure for that year. This indicates the complete unreliability of the assessment figures in the Official Year Book. Prio to the advent of the Labour Party to power in 1935, the Reform Party, led by two farmers, the Hons G.W. Forbes and J.G. Coates, under pressure from their rural supporters, had abolished the land-tax, but this was restored in 1936, though no further increases have since been made in the rate of the tax.

LOCAL RATING

In 1896, Mr. John Ballance, the Leader of the Liberal Party, took a further step by passing an Act permitting ratepayers in local districts, on presentation of a petition signed by 15% of their number to demand a poll on the question of rating on the unimproved value. Since that time, half the local bodies in the country now rate under this system, and exempt improvements, though places which had carried it prior to 1911 only have the general, and not the special rates also, so collected; and in those cases a further poll is necessary for the extension to cover all cases. Local rates vary from 6d in the counties to 1/8d in the £ in the boroughs and town districts. It is estimated that fifty per cent. of the total revenue OF LOCAL BODIES of £10,000,000 is collected from land value. Some of the most progressive boroughs and counties operate under this method, and figures show that there is a higher ratio of improvements (45½ to 35%) in these districts.

Though a number of polls have been called for since, with the idea of reverting to the capital or annual value rating basis, in not more than a dozen places has the attempt been successful, and in some of these a third poll has again brought about rating on the unimproved value. One reason why still more districts have not made the change is that, either owing to the apathy of the local people, or not knowing how to go about it, the ratepayers have not been given an opportunity of making a decision on the issue. As long ago as 1906, the Rt. Hon. R.J. Seddon (Premier) said the Government was so satisfied of the benefits of the new system that a bill was introduced to make rating on the unimproved value mandatory. Owing into to his untimely death it was not proceeded with. The land value tax and rating on the unimproved value have long been planks in the Labour Party's platform, yet despite being in office for 14 years, though they were approached a few years back, they declined to adopt Seddon's proposal, though when the Rt. Hon. M.J. Savage (first Labour Premier) attained office, he said they were going to carry on where Seddon Liberals left off. (Hon. John Ballance, writing in the "Dunedin Echo" of April 15, 1882, strongly supported Compensation, and held that George's refusal of it was the one blot on "Progress and Poverty," --Editor, LIBERAL LEADER OF N.Z.).