

Call Landed Nabobs Their Social Pests

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These questions are addressed to the land nabobs of the United States, to corporations and individuals who own their thousands of acres, who control vast tracts of pastures or who manage the bonanza farms of the great northwest:

How would you like to have your lands at the mercy of the government, to be compelled to sell them at 10 per cent above the valuation you enter them for taxes, and to pay such taxes upon them that you will have to cultivate every part of them to make them a paying investment?

How would you like to have your taxes increased in proportion to the extent of your property, so that they will be proportionately double or treble those of the small holders about you, and if you live outside the state in which the lands are situated so that you will have to pay 20 per cent more than any of the people who live on their lands?

That is the way they are doing things in New Zealand.

Here are some questions for the small property holders, for farmers who own lands worth less than \$7,500:

How would you like to pay no taxes whatever upon one-third of your property,

whatever. After it reaches the value of \$25,000 there is no deduction of the mortgages upon it and from then on it increases at the rate of an eighth of a penny in the pound until it reaches a maximum taxation of twopence per pound, which is payable only when the value is a million dollars or more. He pays an increased tax on his income. The man who has only \$1,500 a year pays no taxes whatever, but the man who has up to \$5,000 above this pays sixpence to the pound, or 2½ per cent, and a man whose taxable income is more than \$5,000 pays 5 per cent. This does not seem a great deal without you figure it up.

Suppose your income was that of a congressman, you would pay 2½ per cent on \$5,000, less \$1,500, or \$37 income tax. If you were one of the justices of the supreme court and got \$10,000, you would have to pay 5 per cent on the extra \$5,000, making your taxes \$327, and if you were one of our big trust magnates with an income of \$1,000,000 a year, your taxes would closely approximate \$50,000, and if you lived in New Zealand you would have to pay them. It is safe to say that such men in the United States do not pay half as much. In New Zealand they would probably be ranked as social pests.

Boss Seddon on New Zealand's Land.
I had a talk with Mr. Richard Seddon,



A FARM SETTLEMENT IN NEW ZEALAND.

sible way to increase the dividends. In Parliament here it was asserted that the manager of one of these absentee land companies had made a speech in the directors' meeting in London apologizing because he could only declare a dividend and a bonus of 15 per cent at that time, and stating that the shareholders must not look for higher dividends until the wages in New Zealand were reduced. The tenants were charged such high rents that there was no money in farming. The small holdings were mortgaged, so that the farm owners paid as much as the renters, and in the meantime the most of the money was going to England. Times became hard and our population began to fall off. This showed us that we must change the system, and we adopted the present methods to get back the lands and put them in the hands of the people.

"Are there many large farms left?"
"Yes, a great many," replied Premier Seddon. "You see, our new system has been recently adopted and it is one which is necessarily slow. We have in New Zealand all told about 34,000,000 acres occupied as farms or ranches. They are in the hands of 62,000 persons. Of these 105 own 10,000 acres or more each, and nearly 400 own between 10,000 and 50,000 acres each. In all the holdings 82 per cent are under 320 acres and 58 per cent are of 100 acres or less.

Buy Private Estates.
"We have already spent more than £1,000,000 buying up private estates and throwing them open to the people. We have bought about seventy estates, having an area of something like 325,000 acres. The lands are not bought directly out of the government funds, but the money for them is raised in England at 3 per cent interest on long time. The government guarantees the payment of the notes and this is also secured by a mortgage on the land. The government charges 4 per cent to purchasers on long-time leases. It charges 5 per cent on the lease with the advances for improvements added, but as this is on the actual cost price of the unimproved land it makes a very low rental. Of the money received 3 per cent goes to

chase at the first price at any time after ten years, or he can lease it on 4 per cent of its cost for 999 years.

"The government buys the land and aids the settler in making his improvements, advancing the money to build his house and fences, etc. We require the settlers to live upon the land. They must make improvements to the amount of \$5 per acre and must cultivate a certain portion of it. We find that the people like the plan, and that they are taking advantage of it. Nearly every estate that we have taken up is settled. Land which has been used for raising sheep is now raising men, and we have a prosperous farming community in a score of places which were formerly occupied by but a few shepherds."

How Estates Are Condemned.

"But suppose the men who own the estates do not care to sell, Mr. Seddon. How does the government do in such a case?"
"That is a very easy matter," replied the premier of New Zealand. "We fix the value of the land and take it, paying the man for it in bonds or cash as he desires."

"But how can you fix the value?"
"That is part of the law," said Mr. Seddon. "Our lands are taxed on their unimproved value and the amount upon which taxation is levied is given in by the owner of the land. He assesses himself as it were, but it is with this understanding that in case the government wants the land it shall have the right to take it at the valuation he has put upon it for taxes with an additional 10 per cent of that value. This gives us a better tax valuation and at the same time it provides an easy way for the government possession of the land."

"That is rather hard on the taxpayers it seems to me," said I.
"Yes, it may seem so, but remember we do not take possession of estates unless it is for the undoubted good of the people. So far we have taken very little land by forced sale. We have more estates offered to us than we want. Last year fifty-seven properties, amounting in all to 380,000 acres, were offered to the government. Of these about half have been declined or withdrawn, and of the remaining 190,000 acres under consideration just about 100,000 have been recommended for purchase."

Story of a New Zealand Estate.

In talking with one of the officials about the new land settlements I was told how the government acquired one of the largest of its new estates. The land belonged to a man named Ready Money Robinson. He had bought a large part of it more than half a century ago, paying a little more than \$1 an acre for it. There were altogether about 80,000 acres in the tract, comprising some very rich agricultural territory which was at the time devoted to sheep raising. The assessed value of the land was equal to \$1,500,000, which was just \$200,000 more than the owner thought it ought to be taxed. He objected and the government thereupon took possession of the land upon his valuation, with 10 per cent added. The land officials resurveyed the estate and divided it up into farms of from fifty to 100 acres each and of pastoral ranches of from 500 to 3,000 acres. They laid out a town site and three village sites and then built a railroad through the estate. Altogether they spent about \$300,000 in opening it up and then offered the lands to the people. They were rapidly taken up upon the usual government terms, and at the end of six years the government was receiving 5½ per cent on its expenditures. Instead of a big sheep ranch the estate was made up of small farms. Land used for grazing was yielding forty-five bushels of wheat to the acre and there were 11,000 acres of it in English grass. Aside from the agricultural development more wool and mutton were being shipped from the estate than when it was all devoted to sheep. In the neighborhood of 50,000 sheep and lambs are still exported from it every year. When the government took that estate the employees upon it numbered something like a score. It supports now more than 1,200 people and it is spotted with pretty farm homes, with school houses here and there.

Public Lands a Public Trust.

In a chat with Mr. Edward Tregear I asked him how he could reconcile the action of the government in forcing the estate owners to give up their lands with the rights of property. He replied:
"We do not look upon land as upon other

property. Land should belong to the state. It is given to it by the Lord, to be held in trust for the people. It is all right for a man to own the improvements he makes upon the land and to be allowed to sell them or to leave them to his descendants; but as to the land itself, I don't think God ever intended any one man to own vast tracts for all time, nor to allow him to say this land shall be the property of his children and grandchildren to the tenth generation. "Take for instance a man like Admiral Dewey. He did a great thing when he defeated the Spanish in the bay of Manila, and your government ought to feel grateful to him. I should think it all right if it expressed its gratitude in honors and presents. Suppose it gave him \$1,000,000 as a reward for his services. That would be all right, but it would not be right for it to grant him and his descendants 100,000 acres of land. This would equal to a pension of \$100,000 a year to his descendants for all time to come. It would be mortgaging the property of future generations. It would be robbing posterity of its rights. I don't think the government has any more right to sell large tracts of land than it has to give them away. The ideal method would be for the government to own the land and lease it, and that is what we some day hope to accomplish here. As it is now, I think we have dissipated the hopes of those who wish to build up great estates as family inheritances. No one dreams of that now, for the people know that the government will eventually divide them."

I think Mr. Tregear is right. New Zealand will eventually become a land of small farms, although it may take years to make it so. By the present laws no man who has more than 640 acres of land can obtain any of the public lands.
FRANK G. CARPENTER.



A "SOCIAL PEST" AND HIS UNDEVELOPED FARM.

or, if the property is valued at less than \$2,500, no taxes whatever?

How would you like to have all your improvements deducted from the assessed valuation and the tax merely laid on the land as it was when unimproved?

How would you like to pay only on that part of the land which you really own, the amount of your mortgages being deducted from the tax valuation—to pay, in fact, no tax upon anything outside the unimproved land you have paid for and your income, and this in case the said income annually amounts to more than \$1,500?

That is the way they do things in New Zealand.

How would you like to see the big estates of this country taken possession of by the government and redistributed in small sections to you at cost on long time at 5 per cent interest?

How would you like to have advances made to you for building your house and fencing your land and the terms of payment made so easy that you could either pay for the whole or have it on lease at this low interest for 999 years, the rent not being raised, no matter how much improvements you put on the land in the way of cultivation, fertilization and buildings?

That is the way they are doing some things in New Zealand.

Curious Features of Land System.

The above are among the curious features of New Zealand's land system. The New Zealanders do not believe in large land holdings and they are doing all that they can to have their country divided up into small farms. They call the large land holder a "social pest" and scruple not to tell him that they will be glad to have him leave the country. They tax him in every way possible to get him to leave and if he is an absentee, living in Europe or elsewhere, they so pile on the taxes that he has to sell.

At present absentee property owners are charged 20 per cent more taxes than those living in New Zealand and the taxes rise in proportion to the amount of land one man owns.

Everything is done to encourage small farmers. The man whose income is less than \$1,500 a year goes scot-free, paying no taxes. He whose farm is worth only \$2,500 is exempt and if his estate is worth \$7,500 he pays taxes on only \$5,000 of its valuation. The tax is assessed on the unimproved valuation. The man who takes a poor farm and brings it up to a high state of cultivation pays only on what the land was worth when he first plowed it and his buildings and improvements are only taxed through the income which they bring him when this is over \$1,500 per annum.

The rich man pays increased taxes on his land, on his income, on everything. Take the land. His tax is levied on its unimproved valuation and this tax is increased according to its value. If his farm is worth more than \$12,500 he gets no exemption

the premier of New Zealand, as to the policy of the government as to its public lands. He is in perfect accord with the system of cutting up the big estates, and says that all such experiments undertaken by the government have proved successful. Here are his own words:

"The ideal condition would be one in which the state owned all the land and leased it out to the people on a low rate of interest on certain conditions. Such a system might be introduced into a new country, but here in New Zealand we have property rights which have grown up through the past half century, which prevent our adopting such radical measures. We had here, up until 1876, a sort of a federation of states. Each state controlled its own public lands and its own railways.



THE GOVERNMENT PAYS THE UNEMPLOYED TO CLEAR ITS FORESTS FOR NEW SETTLEMENTS.

As the various governments wanted money they sold their land, and that in large tracts at prices which were ridiculously low. Much of them were bought by absentee capitalists at ten shillings or thereabouts per acre. I know one man who paid ten shillings (\$2.50) per acre for 50,000 acres. That land is now worth \$50 an acre. Other men bought tracts of 20,000 acres, 50,000 acres and some of 200,000 acres. This land they held, lying back and waiting for it to increase in value. In some cases they used it for grazing sheep, with perhaps half a dozen shepherds on a principality which should support several thousand farmers.

"At that time," Premier Seddon went on, "there seemed a craze for large farms. The small holders were bought out by these large ones. Corporations were formed in England to get control of the New Zealand lands.

"The lands were managed for syndicates and the tenants were squeezed in every pos-

sible way to increase the dividends. In Parliament here it was asserted that the manager of one of these absentee land companies had made a speech in the directors' meeting in London apologizing because he could only declare a dividend and a bonus of 15 per cent at that time, and stating that the shareholders must not look for higher dividends until the wages in New Zealand were reduced. The tenants were charged such high rents that there was no money in farming. The small holdings were mortgaged, so that the farm owners paid as much as the renters, and in the meantime the most of the money was going to England. Times became hard and our population began to fall off. This showed us that we must change the system, and we adopted the present methods to get back the lands and put them in the hands of the people.

"On what conditions are the lands given to settlers?"

"We have different methods of division and payment," replied the premier. "The people can buy the lands outright or they can lease them with the purchasing clause, or they can lease them for 999 years, or practically in perpetuity. This is at the option of the settler. If the man wants to buy for cash he pays one-fourth of the purchase money down and the rest within thirty days. If he wishes to purchase and has not the money he can lease the land, paying 5 per cent annually on its cost to the government. Such a lease runs for twenty-five years, with the right of pur-



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