

1892.

NEW ZEALAND.

PETITION OF DAVID McMILLAN AND 88 OTHER COLONISTS.

Presented by Mr. Saunders, 27th July, and ordered to be printed.

To the Honourable the Speaker and Members of the House of Representatives,
in Parliament assembled.

THE PETITION of the undersigned FARMERS and LANDOWNERS, humbly sheweth,—

1. That your petitioners are British-born or British subjects, colonists of New Zealand, and claim as our unalienable inheritance the right to be treated equally with all other classes of colonists under the laws of the colony.

2. That, in acquiring by purchase the ownership of lands in New Zealand, we have broken no laws, violated no public regulations, nor done any wrong for which we should be punished by being taxed more heavily or on more burdensome principles than other classes of colonists, or by being otherwise exceptionally treated by the Legislature of the colony.

3. That many of us bought the greater part of the lands we own from private citizens who had purchased such lands directly from the Government of the colony or from the assigns of such purchasers, and in most cases we have paid for such lands their full present market-value, and there is no increment of value in such lands to us as such buyers.

4. That under the existing fiscal laws of the colony, especially "The Land- and Income-tax Act, 1891," we are aggrieved by being unequally and more heavily taxed than other classes of citizens, and we respectfully request your honourable House to uphold our rights to equal laws, and to grant us relief from such unequal taxation, and to redress our grievances, the particulars whereof are as follows:—

- (a.) Under the provisions of the said Act for imposing graduated taxation such of us as are merely nominal owners of lands subject to mortgage are taxed not only upon our interest in such lands, but also upon the money-lenders' interest therein, which is frequently twice as great as ours, whereby we are taxed not only upon the property we possess, but also upon property we do not possess, namely, our debts, and thus in some cases we are subjected to such an intolerable burden of taxation as practically amounts to the confiscation of our property.
- (b.) No other class of citizens in New Zealand is taxed upon its debts or upon property not owned by such citizens.
- (c.) Under the same Act we are as landholders made liable to no less than thirteen degrees of progressive taxation, of such severity as to make in many instances the taxes imposed on us penal and confiscatory, and equal to an income-tax of at least 5s. in the pound of our net incomes calculated on an interest-basis of $6\frac{1}{2}$ per cent. per annum, which is equivalent to confiscating at least one-fourth of the capital-value of the property so taxed.
- (d.) That money-lenders having mortgages on such lands are not subject to any progressive taxation, and are not liable to pay more than an income-tax of 1s. 3d. in the pound, calculated on an interest-basis of $6\frac{1}{2}$ per cent., and the owners of other kinds of property have only one stage of progressive taxation, and on the lowest scale are taxed only to the extent of 6d. in the pound of their net incomes, and on the highest scale are taxed only upon 1s. in the pound of their net incomes.
- (e.) We respectfully submit to your honourable House that such unequal and excessive taxation, amounting to five times as much as is paid by the owners of personal property, should not be imposed upon us.
- (f.) Under the same laws many of us owning not more than 400 acres of land, whose total value does not exceed £8,000, and in which our interest does not exceed £3,000, and our net income from such land does not exceed £300 yearly, are made liable to pay a progressive or penal tax in addition to our ordinary taxes, while no mortgagee of lands, though his interest in such lands may amount to £50,000 or upwards, and his income from such mortgages may exceed £3,000 per annum, pays any progressive tax, and no town-dweller pays any progressive tax unless his income is at least £1,000 yearly, which, calculated on a $6\frac{1}{2}$ -per-cent. basis, represents a capital-value of over £16,000.
- (g.) Under the same laws many of us owning not exceeding 300 acres of land whose total value does not exceed £1,500, and the yearly income from which does not exceed £150, about the amount of a mechanic's yearly wages, are subject to direct taxation, while many other citizens, dwellers in the towns, though deriving income from business-profits or personal employment, and the ownership of town property

- amounting to £500 yearly, and all citizens whose incomes from business, trades, or occupations do not exceed £300 yearly, pay no direct taxes whatever, and are not liable under such laws to pay any more indirect taxes than a working-mechanic.
- (h.) Under the same laws an exemption is given to all town-dwellers deriving their incomes from personal property, not being money lent on land, amounting in every case to £3,000, calculating net profits on a 10-per-cent. basis, or to not less than £4,500, calculating net profits on a 6½-per-cent. basis, while to many small farmers whose total capital does not exceed £1,500 there is only an exemption given of not exceeding £1,000, thus making the small farmers whose capital does not exceed £1,500 pay General Government direct taxes, while many townspeople whose capital exceed £4,500 each, and every townsman whose business capital, not being money lent on land, is less than £3,000, calculating net profits at 10 per cent., are entirely freed from such taxes.
- (i.) Under the same laws no town-dweller deriving his income from personal property, not being money lent on land, is liable to pay any such direct taxes unless he has a net income of at least £300 yearly, whereas many farmers and owners of land are made liable under the same laws to pay taxes on their interest in their land although they have no incomes whatever from such lands or their interest therein, and although their total incomes from all sources do not exceed the wages of a working-mechanic.
- (j.) Under the same laws co-operation in farming pursuits is discouraged by imposing graduated taxation, not upon each partner's interest in the common property, but by imposing the graduated tax on the total value of the joint property, as if the property all belonged to one person, and thus compelling a partner in a firm, whose interest if separate would not be subject to the graduated tax, to pay graduated taxes because he is co-operating in the business of farming. This legislation injuriously affects the economic and more effectual working of the land.
- (k.) Under the same laws no exemption is given to lenders of money to us on the security of our lands, while an exemption to the extent of more than £4,500, calculating interest on a 6½-per-cent. basis, is given to the lenders of money to merchants and others on the security of personal property, so that, if a small capitalist lends £4,500 to a merchant on the security of goods worth £20,000, at a yearly interest of 6½ per cent., he pays no direct taxes; but, if the same sum is lent to a farmer on the security of his land, there is a tax of not less than £18 yearly to be paid respecting it, part of which tax necessarily falls on the farmer borrowing the money.
- (l.) This unequal legislation, which makes no exemption from taxation of moneys secured on mortgages of land whilst exempting money lent on the security of personal property, affects no less a sum than thirty millions of money, or more than one-half of the total taxable value of lands in New Zealand, lent to farmers and others owning lands in New Zealand, and shows how widespread is the injurious effect upon us farmers of this inequality in taxation. It is further objectionable to us farmers because mortgage securities on lands are the chief means by which we provide at our deaths incomes for our widows and children, and we respectfully submit to this honourable House that the moneys of widows and orphans ought not to be taxed at a higher rate and to a greater extent than the capital of money-lenders advanced to town-dwellers on the security of personal property.

Your petitioners would therefore, upon the foregoing facts, pray that your honourable House should order that we may be relieved of the unequal burden of taxation of which we complain, and that our grievances hereinbefore set forth be redressed. And your petitioners, as in duty bound, will ever pray, &c.

Dated the 23rd day of July, 1892.

David McMillan.	William Nixon.	H. A. Bruce.	James Johns.
James Gough.	M. J. Burke.	D. G. and J. Holmes.	R. Morrish.
David Curry.	Henry Leslie.	H. W. Peryman.	Robert M. Adair.
W. Whitfield.	John Miln.	William Henderson.	T. H. Bruce.
Thomas Wyllie.	S. Bailey.	J. J. Herrick.	Dennis McCarthy.
E. Mulcock.	W. Moir.	G. D. Greenwood.	Stephen Fisher.
H. F. Gray.	G. J. Holmes.	Thomas McClatchie.	Thomas H. Anson.
John Gemmill.	A. G. Jago.	John P. W. Lee.	S. Garforth.
A. MacLean.	W. Boag.	Malcolm Macfarlane.	M. J. Alexander.
C. Ensor.	Leonard White.	D. McLaren.	John Ferguson.
William Gilmour.	Arthur S. Bruce.	Edward Chapman.	J. Mangels, jun.
P. L. F. Kay.	James Henderson.	Michael S. Campbell.	George Ferguson.
H. E. Peryman.	C. F. Todhunter.	Thomas Chapman.	George MacLean.
Thomas Kneeshaw.	A. G. and G. G. Holmes.	Anama Estate (P. F. Peter).	G. Etherington.
Ernest Gray.	Charles Overton.	Frank Peter.	A. L. Joseph.
C. Withell.	Edward Barnham.	William B. Howell.	A. J. Herrick.
John Holmes.	Michael Malley.	J. Page.	Duncan Cameron.
Seth Kingsbury.	Thomas Orr Hay.	Charles Barrett.	T. McDonald.
John Studholme.	W. M. Wilson.	Joseph Haydon.	Edward Wilson.
H. A. Knight.	Edwin Watson.	Thomas Teschemaker.	John Baird.
Thomas Quayle.	Frederick Clark.	John Parlane.	Benjamin Hale.
John McDonald.	C. H. Mathias.	W. Acton-Adams.	George B. Ritchie.
Robert Rice.			

Approximate Cost of Paper.—Preparation, nil; printing (1,300 copies), £1 7s. 6d.