

**Can A Poll Tax Ever Be Acceptable?  
- Evidence from Colonial New Zealand**

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### **ABSTRACT**

Poll taxes, while simple in concept, have a regressive effect and unsurprisingly are usually unpopular for this reason which is why they are not commonly used today. Poll taxes were imposed in 19<sup>th</sup> century New Zealand, with one of the earliest being a form of poll tax imposed by the Nelson Province in 1856 to fund public education. Despite the inherent shortcomings of a poll tax, the Nelson education tax was eventually accepted and defended by the community and produced revenue to fund public education. This paper examines the history of the Nelson poll tax to determine why it was successful when elsewhere, both in earlier and later times, poll taxes have been the focus of considerable dissent which has eventually lead to their demise. Among other reasons, the poll tax revenue being ear-marked for a specific purpose that was perceived by the wider community as important was a major factor in the success of the tax.

# **Can A Poll Tax Ever Be Acceptable?**

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### **1. Introduction**

A poll tax is a direct tax of a uniform fixed amount levied on a per head basis for a particular class of individuals within a defined area. These classes can be based on gender (e.g. adult males), age (e.g. all those over 15), race (e.g. Chinese), social class, eligibility to vote, or other distinguishable characteristics (US History Encyclopaedia)<sup>1</sup>. Such taxes were commonly employed as a source of revenue in many countries until the nineteenth century. Over the last hundred years, however, such taxes have been replaced by other taxes of a more sophisticated nature such as those on income, property, and consumption.

While on an initial analysis poll taxes appear to have much to recommend them as they are simple, easy to collect and certain in application, their regressive nature and their inability to take into account an individual's ability to pay have been the key reasons for the decline of such taxes. It is for these latter reasons that poll taxes have sometimes met with a violent reaction from those affected as can be seen in the peasant's revolt of 1381 and in the rejection of a poll tax (termed "community charge") as a replacement for local body rates in the United Kingdom in the 1990s. Today most would conclude that poll taxes are flawed as a form of tax and are an unacceptable way to raise revenue to pay for public services in a modern society. This has not always been the case.

Prior to a parliamentary-funded national system of education being established in New Zealand in 1877, one New Zealand province, that of Nelson, successfully funded their public education system through a form of poll tax imposed upon the head of households in the province. In 1856, it established a public education system and enacted a form of poll tax to partly fund public education. This tax was the first instance of free education being funded by a poll tax in New Zealand and was considered a successful means of raising revenue by colonial New Zealanders (Butchers 1932; Simon, 2000).

The objective of this paper is to examine this poll tax (called "education rate") imposed by the Nelson Provincial Government as part of its education legislation by reviewing archival material associated with the Nelson provincial educational organisations, government entities and settlers between 1854 and 1875, and to ascertain why it met with a reasonable degree of success and community acceptance when most poll taxes do not. By conducting this historical

examination of the education rate and determining potential success factors, an understanding of past practices can be used to inform current practices and problems and to offer possible solutions (Previts, Parker and Coffman, 1990; Napier, 1989 & 2006).

The rest of this paper commences with an overview of poll taxes in general and their issues. This is followed by an outline of taxation in colonial New Zealand and a detailed discussion on the Nelson education poll tax. Then the lessons for today are presented along with the conclusions reached and areas for future research.

## **2 The Poll Tax**

### **2.1 What Is A Poll Tax?**

A poll tax, is a direct tax of a uniform fixed amount levied on a per head basis for a particular class of individuals within a defined area, usually with little or no consideration given to the circumstances of the individual upon which it is levied. Poll taxes were common in the eighteenth and nineteenth century and were used, in many cases, to fund specific public facilities such as schools and roads or to restrict immigration or voting rights.

On a superficial analysis, a poll tax appears to have much in its favour if traditional criteria such as Adam Smith's four principles (or canons) of taxation from his seminal work *An Inquiry into the Nature and Causes of the Wealth of Nations* published in 1776 are applied (Smith 1961, pp.350-351).

The four canons can be summarised as being:

- Efficiency –to impact as little as possible upon productive activity thus not impeding an efficient allocation of resources.
- Economy –to be cheap and easy to collect as well as for taxpayers to pay.
- Certainty –to be certain in who must pay and how much, so that the tax cannot be evaded or manipulated and that assessment is not arbitrary.
- Equality –to bear equally upon all individuals.

Poll taxes do not directly affect how much labour a person may provide nor how they may invest their capital, as the amount of tax to be paid is not affected by either labour or capital inputs. Poll taxes should be simple to administer and collect as the tax is imposed on a conceptually very simple basis when compared to more sophisticated taxes such as income

tax. On the other hand, it could be argued that the tax could still have some costs associated with its collection (administrative costs) if liable persons attempt to evade the attention of the tax collector and have to be summoned or cannot be located. Poll taxes also meet the third criteria in that they are certain, particularly so because the basis of assessment is very simple. Where they mainly fail is on the fourth criteria – equality.<sup>2</sup> While poll taxes treat classes of individuals equally, the outcome of the tax's imposition cannot be said to result in any form of equality because they ignore the individual's ability to pay and are usually perceived as regressive. The burden of a poll tax falls more heavily upon a poor person than a wealthier person. It is this inequality that has generally resulted in poll taxes with revenue gathering objectives becoming hugely unpopular and rejected by citizens.

## **2.2 Poll Taxes Through History**

Poll taxes are one of the most ancient forms of tax. References to the use of poll taxes can be found in the Bible in both the Old and New Testaments along with other direct and indirect taxes. A poll tax of one-half shekel per person is mentioned during the Tribal Confederation period (c.1300-1050 B.C.), while another is found in the period after the Babylonian Captivity (c.540-100 B.C.) (Jose & Moore 1998). The poll tax was the predominant tax in Israel during the period covered in the New Testament (Jose & Moore 1998).

The earliest example of a poll tax in England was one levied in 1275 to finance English wars, which remained in many guises until the seventeenth century. A much more unacceptable one was levied in 1377 and 1379 and culminated in the Peasants' Revolt in 1381. The 1377 English poll tax was set at four-pence a head for every male over the age of 14 and was a major change from the previous property based tax. The 1381 the rate was set a one shilling a head, and this threefold increase saw angry demonstrations by the peasants on who the tax burden was the heaviest. The collection of this nation-wide poll tax was difficult and evasion was widespread, mainly because of the suddenness of the change in tax base and the high rates set (Fenwick 1998; Hooper 1998).

Poll taxes have also been imposed in earlier times to achieve objectives other than to raise revenue. It is perhaps these non-revenue situations that have given poll taxes a particularly undesirable reputation. Canada and New Zealand introduced, in 1885 and 1881 respectively, a poll tax on Chinese immigration. These two taxes were never intended to raise revenue but were a back door way of stemming Chinese immigration by placing a significant financial

barrier to migration that few potential migrants would be able to pay. Instead of an outright ban, Chinese immigration was restricted in this way due to concerns by Great Britain that a ban upon Chinese immigration by two of their colonies would have an adverse effect upon Great Britain's relationship with China. Both countries did not repeal their immigration poll taxes until well into the twentieth century and have subsequently apologised and paid compensation packages to the Chinese community (Murphy, 2002).

A similarly objectionable use of a poll tax was one imposed by some US states to disenfranchise persons from voting. This use of the poll tax provides the name for the tax –a tax on voting (i.e. polling). After universal suffrage was extended to all races after the fifteenth amendment to the US Constitution was ratified, a number of southern states introduced a poll tax as a precondition for the right to exercise a vote. Special provisions were also made at the same time for those who had already voted prior to the ratification of the fifteenth amendment to vote without paying the tax. The intended effect (and the outcome) of the tax was to disenfranchise black and Native American persons from voting as well as new white immigrants who were poor. Such taxes were eventually outlawed during the civil rights movements of the 1960s with the ratification of the twenty-fourth amendment in 1964, which outlawed the use of poll taxes (or any other form of taxation) for eligibility to vote in US federal elections (Rosen 2007).

Undoubtedly the most familiar example of a poll tax in recent times was the introduction of a poll tax (known as a “community charge”) by the Thatcher Conservative government to replace rates for local body funding in the UK. While initial thoughts of imposing this charge can be traced back to 1974, it was not until the 1980s that the first serious steps were taken to develop the charge partly in response to problems with the existing system of local body rates and also central Government concerns about the high level of spending by local councils, many of which were controlled by Labour councillors. The tax was termed “community charge” reflecting its purpose to fund community services. After some delay it was introduced in Scotland from 1989/90, and England and Wales from 1990/91, with Northern Ireland retaining the existing rating system.

The charge was bitterly resisted by many people leading to protests and civil disobedience. Default rates of up to 30% were experienced in some areas. Opposition stemmed from the perception that it shifted the cost of providing local services from the ownership of property (and in proportion to the value of that property) to the number of persons living in a house and thus shifting the tax burden from rich to poor. Opposition was further inflamed when the

amount of the community charge set by councils proved to be much greater than initially predicted, although some argued that councils deliberately used the community charge as a way of increasing their revenue knowing that the blame was more likely to be borne by the Thatcher Government rather than themselves.

As enforcement and collection of the tax became more difficult, increasingly more stringent measures were imposed for collection. Early in the 1990s, there was a change in the leadership of the Conservative Party partly as a result of concerns within the Government about the political damage being done to it by the community charge. After this leadership change the community charge was dropped from 1993/94 and replaced with a modified system of rates upon property and for revenue to be supplemented by an increase in VAT (Smith 1991).

### **3.0 Taxes in Colonial New Zealand**

#### **3.1 Prior Research on Taxation in Colonial New Zealand**

Little research has been undertaken into taxation in nineteenth century New Zealand. The main work in this area is by Hooper (1998) who provides an overview of the origins of customs, excise, income, land, estate and other taxes and duties including New Zealand ones. These taxes were inherited from the British and between 1840 and 1890 public revenue was raised by custom duties, stamp duties, property tax and a beer excise tax. No mention is made of the education tax implemented initially in the Nelson Province.

More recently, Hooper and Kearins (2003 and 2004) consider the historical aspects of New Zealand taxation, during the crown-colony and provincial periods using a genealogical methodology based on the work of Foucault to examine the relationship between Māori and European settlement. Their first paper (2003) investigates the implementation of capital taxation and public finance and its effect on Māori between 1840 and 1859. It concludes that taxation by pre-emption was in substance a capital gains tax on Māori landowners. Pre-emption is the monopoly purchase of Māori land by Government for resale at inflated prices to provide colonial revenue and provided the colonial government with enough revenue to permit the colony to expand without taxing the European settlers. The paper also raises the issue of taxation without representation. The second paper (2004) examines Māori land confiscation and the wealth tax effect caused by this practice, which provided the New Zealand Government with a major revenue source in the 1860-1880 period. The authors

claim that after the abandonment of pre-emption another way had to be found to raise revenue. The Māori land confiscation and requisition that was authorised through the New Zealand Settlement Act (1863) and Public Works Land Act (1865) were in substance a means of taxing away from the native population their prime asset.

Given this limited research as well as the aforementioned unpopularity of poll taxes this paper's objectives are to examine the Nelson education rate as instituted by the Nelson Provincial Government between 1854 and 1875 and to ascertain why it met with a reasonable degree of success and community acceptance when most poll taxes do not.

### **3.2 Provincial Government in Colonial New Zealand**

The New Zealand Constitution Act (1852) made provision for originally six provincial (state) governments: Auckland, New Plymouth, Wellington, Otago, Canterbury and Nelson. Later on some of these Provinces were split into others, namely Marlborough, Hawkes Bay, Southland and Westland (see map at the end of the paper). The colony retained a General Assembly, consisting of a Legislative Council (life members) and a House of Representatives (elected members), and a crown-appointed Governor. The elected provincial Superintendent, with the advice and consent of the provincial council, could make laws and ordinances (acts)<sup>3</sup> as required, provided they were not repugnant to the law of England, except in 13 categories, which included customs, courts, currency, weights and measures, post offices and mail, laws regarding bankruptcy or insolvency, lighthouses and beacons, marriages and lands. However, none of these laws were to have any force until being assented to by the Governor. The provincial system of government established in 1852 had a limited life in New Zealand and the provinces were abolished twenty-three years later by the Abolition of Provinces Act (1875).

Turning now to the province of Nelson, the early European settlers were mainly of English, Scottish, and German origins. They consisted of two groups namely the colonists (capitalists or land purchasers) and emigrants (labourers and other working class people)<sup>4</sup> and were from varied backgrounds like farmers, teachers, merchants, and clergy. Nonetheless, even though the majority of the original 2942 settlers in Nelson in 1842-43 were British, the physical environment, the economy, and the nature and characteristics of its immigrants meant that it did not become British (Campbell, 1941). McKenzie (1963, p.21) suggests the bulk of those who immigrated did so to "...create a better life for themselves and the majority had no wish

to perpetuate the abuses which they had suffered at home”. This desire was reflected in the nature of the provincial education system they established.

### **3.3 Provincial Responsibility for Education and an Education Rate**

As mentioned above, under the New Zealand Constitution Act (1852) the provinces had been delegated the power to make laws and ordinances (acts) as required, provided they were not repugnant to English law, except in certain categories, which did not include education. Therefore, the provincial councils could legislate for education if they wished.

Although the House of Representatives did not consider education, the Legislative Council did, but not until 1855. By this stage, it was too late for them to do anything as some provincial councils had decided to take responsibility for education. One of the first to do so was the Nelson Provincial Government with the Nelson Education Commission (1855) recommending a public education system one whose operation would raise the “fewest objections, as involving the fewest compromises, and so offering the best chances of being both generally acceptable and permanently useful to the province”.<sup>5</sup>

Developments in the UK, including the introduction in the 1850s of secular schools financed from local rates (tax base unknown) and managed by local committees, may have influenced the evolution of the Nelson public school system and introduction of the provincial education rate to fund it. However, the decision to introduce the education rate was predominantly a product of the nature, characteristics and experiences of its settlers prior to and after immigration and one that was suited to the unique situation they found themselves in upon arrival in Nelson. The legislation they developed was a mixture of various education provisions from a number of English speaking countries and territories including Canada, America, and Great Britain, along with ideas of their own.

The Education Ordinance (1856) enacted by the Nelson settlers, and subsequent amendments, significantly changed the structure and control of provincial education. It established a Central Board of Education (CBE) that employed an inspector and created educational districts each of which was controlled by a Local Education Committee (LEC). By 1859, the primary education system consisted of 24 schools from Wakapuaka in the east to Collingwood in the west. The CBE was responsible to the Nelson Provincial Council (NPC) for education in the province and as such established, funded, and reported on the public schools while the LECs controlled the day-to-day operations of the schools. The funding for

education consisted of the education rate, appropriations from provincial revenue for educational purposes, and income from the leasing of educational reserves. The Nelson Province "...has generally been credited with setting up the most efficient system and it became a model not only for other provinces, but eventually for state education legislation" (Mackey 1967, p. 93).

## **4.0 THE NELSON EDUCATION POLL TAX (1854-1875)**

### **4.1 The Legislation**

The Nelson education rate was the first direct provincial wide tax levied in a New Zealand province. Mackey (1967, p.97) suggests that the rate was as "...bold a measure as its [later] provision for separated schools" because it allowed the province to have "...a fixed and analogous source of income for education". The Nelson Provincial Government chose to implement an education rate as it did not have the revenue to totally fund public education from existing resources and therefore contribution from the community was necessary. This could either be via pupil fees (a voluntary system or "user pays") or a direct tax (indirect compulsion being community funding). The Nelson politicians were aware that any compulsory rate would be unpopular, but the Education Commission (1855) recommended an uniform education rate and used the fact that every settler had to contribute as an argument as to why the system was secular. They suggested that:

it is primarily the duty of every parent to educate his own children, yet it is one in the due performance of which the whole community is so much interested and on which its future welfare and security so much depend, that it may be fairly required to contribute towards it, although not in the same proportion.<sup>6</sup>

The Education Bill (1856) and subsequent Ordinance specified that all householders (the head of the household<sup>1</sup>) in the province were to pay a uniform rate of £1 p.a. An additional sum of five shillings per school-age child (maximum four) was payable. The only exception was for those who could prove their child attended a non-public school.

At this point, it is necessary to note the education rate was a variation on the basic concept of a poll tax as it was imposed only upon the head of the household (the householder) rather than individuals or males. Therefore, if several individuals were living under the one roof they

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<sup>1</sup> The term householder in the nineteenth century referred to the chief or head of the household who was normally male (Blackie's c1920) and was utilised in other nineteenth century legislation such as the census and education acts.

shared the burden of the education rate rather than the rate being imposed upon each individual residing in a house. This basis of imposing the education rate discriminated against individuals who lived alone although how many single person householders existed in colonial Nelson is not known but is likely to have been less than would have been the case if an area had been settled for a long period of time. As the province was only recently settled and given that the New Zealand Company had offered free passage to emigrants (based on certain conditions) to ensure a supply of young healthy adults of both sexes it is unlikely there would have been many older widowed people in the province. It is also unlikely that many single adults would have resided alone at that stage in the settlement's history.

Nonetheless, the community was aware of the possibility of this discrimination as during discussion on the bill, aversion was taken to the word "householder." The electoral roll was suggested as the basis for who should be taxed, but was opposed by Mr Parker (MP and Provincial Councillor (PC)) who would rather see the rate enforced upon every male in the province. It was also unsuccessfully argued that widows should be exempt.<sup>7</sup> The education rate with a type of user-pays component purposely added a compulsory element into the public education scheme, as parents would be unwilling to pay and receive nothing in return so they would be more likely to send their children to school if they were forced to pay the tax. Any education rates in arrears were to be recovered in a summary manner,<sup>8</sup> but the local committee could exempt those unable to pay because of poverty. The only other legislative exemption was for the Māori. No explanation is given for this exclusion.<sup>9</sup>

The Nelson education rate was not the first education rate proposed. The Wellington Education Ordinance (1855) made it lawful for the LEC to implement a uniform rate upon every householder within its education district, not exceeding £1p.a. Nevertheless, this was a local, not a provincial wide tax and did not include a user-pays charge. It was similar in form to the Country Roads Ordinance (1856), which allowed local road boards to rate if they needed to.<sup>10</sup>

The implementation of this Education Ordinance (1856) was not without problems and a number of changes were suggested including:<sup>11</sup>

1. Making the collectors responsible for suing rate defaulters, as it had created an immense amount of work for the CBE and resulted in the non-collection of some rates.
2. Changing the tax base from one based on householders to a property tax, which would move the burden of education provision to the wealthy property owners.

3. Exemption from the payment of the five shillings for children living a certain distance from the school on grounds they were unable to attend the schools.
4. Consideration of paying the education rate directly to the LECs.
5. Allowing some settlers to retain their portion of the education rate to establish schools of their own.

The Education Select Committee considered these recommendations in 1857. They recommended that the education rate should be collected half-yearly, that an exemption should be given to children residing more than three miles from any public school and the rate be collected as part of provincial revenue.<sup>12</sup> The Education Amendment Bill (1857) was prepared in accordance with the recommendations and passed by the NPC with a good majority (14 to 4). The responsibility for collecting the rate, granting exemptions, and suing for arrears was transferred from the CBE to the provincial government. Additionally, clause five of the Bill, the only one not recommended, allowed the CBE to exempt an education district from the operation of the Education Act<sup>13</sup>.

Due to communication difficulties, the Education Amendment Bill (1857) did not receive the Governor's assent and was again discussed at the 1858 NPC session where further changes were made. The rate collection was changed back to annually, and the LECs were again given sole responsibility for granting exemptions for poverty. Additionally, ratepayers in any district, contributing at least £50 to the rates, under certain conditions, could form separate government-aided schools. This proposal was initially moved by Dr Monro (MP and PC), and underwent a series of amendments before being passed in its final form.<sup>14</sup> No separate schools were established under this provision and it was subsequently changed in the 1867 amendment act.

No further legislative alterations were made until 1862 after the CBE encountered problems in not being able to pay teachers salaries, possibly because of the expanding nature of the public system. In the Education Amendment Bill (1862) there were two proposals relating to the education rate. The first was that in certain circumstances the LEC could levy a special rate, the other authorised the LECs to appoint collectors, and collect and recover rates.<sup>15</sup> The select committee recommended that a new consolidating act should be enacted,<sup>16</sup> which was not done until the 1863 session, and therefore the Education Amendment Act (1862) was passed with only one section relating to LEC elections.<sup>17</sup>

The Education Bill (1863) was presented to the NPC in March 1863 and consolidated the earlier legislation. It contained several sections relating to the education rate. Clauses 12 to 15 were carried over from the earlier legislation while clauses 16 to 18 allowed for a special rate. An education district could levy the special rate when two-thirds of the householders requested it for the purposes of erecting a school or paying teachers. It was initially proposed that the education rate was to be paid by all householders in the district. However, debate in the NPC saw this changed to only those householders with school-aged children. Dr Monroe argued that “in raising additional taxes, then, for the especial benefit of those whose children were educated on schools they should not seek to levy upon those who did not use them”. In other words, the special rate burden should fall on those who would directly benefit.<sup>18</sup> The Act was passed in July 1863.

The next change to the education rate legislation, as a result of community pressure, was in the Education Amendment Act (1867) whereby the Act was amended to allow the Roman Catholics to operate schools in such a way as to be eligible for government funding. Although there was a similar section in the 1858 and 1863 acts, it did not satisfy the Nelson Roman Catholic community, as they had no control over teachers or textbooks. The Catholic congregation quickly took advantage of the new section and applied to the CBE to be considered a separate LEC.<sup>19</sup> The Education Amendment Act (1869) was again a short act that adjusted and clarified the powers of the LECs and the CBE. However, prior to its adoption, the CBE, in response to a request from the Superintendent, appointed a committee that suggested possible alterations in the education legislation. They decided it “was undesirable to disturb the existing education act; unless financial considerations render it necessary”. Suggested ways of increasing education revenue were to increase the amount of householder or per child rate, collect an additional fee from those children actually attending public schools, change the way the rate was levied to that of the Country Roads Act (1858) or change the tax base.<sup>20</sup>

The last education legislation passed by the NPC was the Education Amendment Act (1873) which again was a concise act regarding LEC and CBE membership and religious instruction in schools. Nonetheless, the cost of public education provision was again raised in the NPC with Mr O’Connor (MP and PC) suggesting that it needed to be “self-supporting” and “self-reliant”.<sup>21</sup> The matter was considered by a select committee who suggested several possible ways of increasing the education direct tax take including an increase on the capitation (per child) tax, increasing the householder rate, increasing the LECs power to rate or changing the

tax to a property one. However, once again no changes were made to the rate, possibly as a result of the community acceptance of it in its current form.

## 4.2 The Community Reaction

The debates surrounding the education rate were played out in local newspapers during May and June 1856 after the Education Ordinance (1856) had been passed. The first argument against the education rate was if householders had no children, why should they pay a tax from which they would not benefit? The second, and the one most vociferously argued by the Roman Catholic community, was that the education rate compelled them to support the government education system, even though Catholic children would receive no benefit. Others argued that rural poverty meant they could not afford to pay and also there was no guarantee the education rate would not change in future.<sup>22</sup>

The debate was not entirely one-sided with many letters supporting the education rate. One correspondent calling him/herself Ouvrier, compared the education rate to other taxes and contended:

If however, it is unjust and oppressive to tax every householder £1 per annum for the maintenance of schools, of which every child in the province can make free use, any from which every child *may* derive a direct benefit, what shall be said of the English poor rates, and other such taxes, from which those who pay the tax *cannot* derive a direct benefit even if they were willing to do so?<sup>23</sup>

Another correspondent using the pseudonym ABC, presented the three most common arguments in support of the rate:<sup>24</sup>

1. All rates are unpopular; and no mode of adjusting a public burden can possibly be contrived so as to create a strict mathematical correspondence between the tax imposed and the benefit derived.
2. The Education Act, in making the rate *general*, is based on the fair assumption that every one is benefited by any measures having as its end the moral and intellectual advancement of the community.
3. The appropriation of the tax raised to non-sectarian schools as in a province with scattered population, like Nelson, dividing the money among the various sects for a number of competing schools would result in an allocation so small to be able to maintain these schools.

The need to pay the education rate continued to be the major complaint which between August 1856 to April 1857 was played out in the media and through public memorials (petitions). There were three main objections. Firstly, the education rate, as a direct tax was an unpopular mode of collecting money with one petition stating that it will “cause great

disturbance and endanger the peace of the province”. Secondly, many continued to object to paying for education that they would not use, either because of their religious beliefs or that they were childless. Thirdly, some highlighted the difficulties in paying due to poverty.<sup>25</sup> These objections resulted in many settlers refusing to pay and being summoned as education rate defaulters (discussed later in this paper).

In contrast, newspaper editorials supported the tax probably because the editors were also legislators. One editorial argues the refusal to pay is a “mistaken policy” and a result of “self-interest” and to have “any general system whatever, we must have one of compromise”.<sup>26</sup> In another the author maintains:

On those who value a pitiful twenty shillings a-year more than the intellectual and moral progress of the community, all arguments are thrown away; but to those who value public education as a pearl above all price, as a gem which, well set, gives a lustre exceeding all others in brilliancy, and which contributes most largely to the material as well as social happiness of the people, the payment of a small rate imposed by our local legislature will appear but dross compared with the benefits they expect to derive from it.<sup>27</sup>

However, the editorials also suggest the Ordinance was not perfect and that changes need to be made; a view supported by the Inspector and CBE. The CBE report of June 1857 argued:

First that the parents of all children within reach of a school open to all ought to contribute to its support. The law compels them to feed their offspring they are under equal moral obligation to train them up as reasonable and accountable beings. Next that all their neighbours have an interest in this although not so direct or immediate, and therefore are bound to contribute towards it though not in an equal degree.<sup>28</sup>

As with the previous Ordinance, the objections to the Education Amendment Act (1858) were made post enactment. In April 1859, petitions were received from the Motupipi and Takaka Associations and the Roman Catholics raising similar objections. The signatories suggested that:<sup>29</sup>

1. Those who send their children to a government school should pay the householder rate and those without children or living three miles from a public school should be exempt.
2. That the rate should be increased from five shillings to seven shillings and sixpence or even ten shillings to reduce the deficit caused by 1 above.
3. The system does not meet the wants of the community and is unjust as it equally takes from the poor as well as the rich.

In response, the Superintendent proposed in the 1859 NPC session to introduce a bill abolishing the education rate and fund public education by a combination of pupil fees, the

government vote and local subscriptions for school buildings.<sup>30</sup> The proposal was not persevered with<sup>31</sup> probably because of opposition in the NPC. Mr. Gibbs (MP and PC) made a lengthy speech that described the education rate as most un-English, unpopular and notoriously unjust.<sup>32</sup> Mr. Sharp (PC, Resident Magistrate) summed up the objections to the education rate - “the real gist of the objections of a great many was the payment of a direct tax out of their pockets”.<sup>33</sup>

The next time there was a large amount of public discussion regarding the education rate was at the time of the Education Amendment Act (1862) and Education Act (1863). As mentioned earlier, these Acts were passed in response to the problem of insufficient funds to pay teachers salaries. An editorial on the Education Act (1863) suggested the sections on the special rate were the most important part of the 1863 Act as these sections would allow the LECs to pay an adequate teachers’ salary and would be a fair levy as it was local and voluntary.<sup>34</sup> An April 1863 letter raised objections to the education rate in general and argued it should be property based and that all householders should not have to pay the special rate.<sup>35</sup> It is possible this was written by Dr. Monro as it repeats many of his previous arguments.

Pressure also came from the Roman Catholic community. From 1865 to 1867 there were a series of letters and memorials from the Catholics arguing their case for government-aided Catholic schools. In May and June 1865 Father Garin sent the Superintendent several letters regarding the possibly of incorporating his school under CBE management so as to receive government funding.<sup>36</sup> However, by October, the Superintendent had done nothing and the Roman Catholic community went public asking for the education rates they contributed and additional aid without any interference in their religious principles.<sup>37</sup> Father Garin wrote further letters in 1866 reiterating his conditions for submitting to CBE management including the selection of their own books and a Catholic LEC.<sup>38</sup> These conditions were repeated in a memorial to the NPC in June 1866,<sup>39</sup> and finally incorporated into the Education Amendment Act (1867).

Subsequent Education Amendment Acts had no impact on the education rate. By the time of the Education Amendment Act (1873), petitions received from the community, against the proposal that the Bible be read in schools, indicated the general community acceptance of the education rate:

That the education system of this Province, has for the last eighteen years, been the means of conferring great and important benefits on the people; that, from the date of its establishment it has been regarded with increasing approbation; and that it has now met

with such a measure of general acceptance as has been rarely accorded to educational systems else-where.<sup>40</sup>

Nonetheless, in that and preceding years recommendations had been made suggesting changes to the education rate base.

### **4.3 The Base of the Education Rate**

Between 1856 and 1858 there was much discussion on what form the education rate should take. In the Education Ordinance (1856) it was a uniform £1 p.a. poll tax payable by all heads of households, however the CBE in their December 1856 report suggested that this householder-based tax should be substituted with a tax on real property:

The effect of this, of course, would be to throw the burden of education in the major degree upon the wealthier classes of the community; in the minor degree upon those who had been less successful. But still, when the general equalisation of landed property in this country is considered, and the facility of its acquisition by every industrious man, it is apprehended that the burden would be more generally and equally distributed there might be at first sight supposed; and if to this plan it be objected that it is open to the same ground of complaint as the former, that it compels persons who had no children of the own to pay for educating their children of the others, the answer is that the possession of property brings with it certain duties, and that the holders of property are directly interested in the maintenance of an efficient moral police.<sup>41</sup>

The Education Select Committee did not agree and recommended that it remained a householder tax. This is perhaps not surprising given those on the select committee were predominantly property owners on whom a greater burden would have fallen.

During the reading of the Education Amendment Bill (1857), further attempts were made to change the tax base. Dr. Renwick suggested that the householder-based poll tax was inequitable, falling equally on the rich and poor. His solution was a voluntary school system supported by pupil fees and government grants. Dr. Monro did not agree and moved that the rate should be levied “upon the lands and tenements in each district established under the authority of this Act, a rate not exceeding two pence in the pound, upon the estimated value to sell of the aforesaid lands and tenements”.<sup>42</sup> Most NPC members opposed the change. Mr Saunders (PC and MP) would have preferred an income tax, while the Provincial Solicitor opposed it because a property tax “would press very heavily on many who would derive no direct benefit from it”.<sup>43</sup> The amendment was lost but not before it was discussed in an editorial, which supported a property tax describing it as “the only absolutely fair and just system”.<sup>44</sup>

In 1858, another attempt was made to change the tax base. Mr. Simmonds (PC) moved that an income tax was the most equitable means of raising revenue for educational purposes because all men would “be fairly taxed according to the amount of their several incomes”. This was discussed with Dr. Monro and Mr. Domett (MP and Provincial Secretary) stating they would prefer a property tax as real property was the best measure of a man’s wealth and the motion was amended accordingly. However, others opposed it on the grounds that a poor farmer could not afford it. The later motion to shift from the householder tax to a property and income tax was narrowly lost so the education rate remained a uniform householder tax.<sup>45</sup> In contrast, the Nelson Improvement Acts and Country Roads Acts imposed rates based on property.<sup>46</sup>

The tax base issue was revisited in a wider sense in 1862 just prior to the Education Amendment Act (1862) being passed by the NPC. A letter to the newspaper argues that people should be taxed according to their means and the NPC should “do away with all customs, road rate and education taxes and substitute for them a simple tax – a property and income tax”.<sup>47</sup> This had no impact on the resulting education legislation. However, during the discussion of the Education Amendment Bill (1863), a letter to the editor again argues that the tax should be a property tax and questions why absentee landowners and resident non-householder land proprietors should be exempt. They stated, “let property pay for its share towards education of the rising generations” and that it is “my duty to point out what appears to me to be an injustice”.<sup>48</sup> In July 1863 another letter raised the need for a property tax where the author states that although the Nelson system was very successful it could be improved by changing the tax base to a property one as a householder rate “... is very simple in operation, certainly. But it is in every second or third case a manifest absurdity”.<sup>49</sup>

The question of changing the tax base was also raised prior to the 1869 and 1873 Amendment Acts. In 1869, the CBE recommended as one of four possible ways of raising additional funds for education to change the tax to a property or income tax.<sup>50</sup> This solution was also recommended in 1873 by an education select committee; however, again the tax base was not altered and remained one paid by all heads of households in the Nelson Province.

#### **4.4 Poll Tax Administration**

Responsibility for the collections of the education rate was split between the CBE (1856 to 1858) and the provincial government (1858 until 1875). The CBE informed the Nelson

provincial community via the newspaper that the first education rate would be levied on 18 August 1856, at the places listed in the advertisement. The settlement was warned that “if the rate or any part thereof, shall not be paid on the day so fixed for that purpose, the same will be recovered in a summary manner before any Justice of the Peace”.<sup>51</sup> In the next educational year (1857/58) the rate was not collected until 30 November 1857,<sup>52</sup> due to uncertainty regarding the status of the Education Amendment Bill (1857).<sup>53</sup> Even when the Nelson government assumed responsibility for the rate in the 1858/59 educational-year, the rate was not collected until 7 December 1858.<sup>54</sup> The rate was subsequently collected on the following dates: 5 December 1859, 1 November 1860, 2 January 1862, and 1 July in 1862 and all succeeding years. The newspaper advertisement for these years not only listed the place and collector but also contained a copy of the rating clause from the relevant Education Act.

Only the LECs could exempt householders from paying the tax on the grounds of poverty. The number of exemptions given varied with some applications being refused. For example, the Town of Nelson LEC exempted one person in 1860,<sup>55</sup> three in 1862 on the grounds of “severe and prolonged afflictions,”<sup>56</sup> seven in 1865,<sup>57</sup> and one in 1866.<sup>58</sup> Similar numbers of between two and seven householders per year were exempted by other LECs. Nonetheless, some LECs had a policy of not giving anybody exemptions, for example, it was noted that the Clifton LEC “does not as a rule, under any circumstances grant certificates of exemptions”.<sup>59</sup>

The key to collecting the rate from a geographically dispersed community was the appointment of collectors. The LECs were required to supply the collector and later the government with a list of ratepayers, amounts owed, and exemptions authorised.<sup>60</sup> How this list was constructed and who had responsibility for it is not stated in any LEC minutes. The LECs were required to pay the collectors reasonable remuneration.<sup>61</sup> Initially in 1856, the CBE set this at one guinea for the attendance at the specified place with no extra for collecting those in arrears.<sup>62</sup> From 1857, collectors could be paid up to an extra 5% commission if they were required to call at people’s homes to collect overdue rates.<sup>63</sup> However, many of the collectors considered this insufficient remuneration, especially those who had responsibility for large geographical areas. Between 1856 and 1865, any expenses associated with rate collection were paid from education rate revenue, including collectors and the expenses associated with collecting rates in arrears.<sup>64</sup> From 1866, a separate education rate vote was given for rate collection. The cost of collecting the rate was around £60 in 1859, but by 1868, it had increased to approximately £125. There was some dissatisfaction in the NPC with

regards to the inadequacy of the rate collection with assertions being made that it was “very carelessly collected” and that “the present mode of collection was unsatisfactory”.<sup>65</sup>

Many of the rate collectors were associated with the police such as the Sergeant-Major of Police in Nelson, Collingwood, and later Cobden or district constables. Others were teachers, tradesmen, and farmers. From at least 1858 each collector was required to fill in printed receipt forms as well as recording the rates paid in an education district rate and/or voucher book.<sup>66</sup> The book was returned to the government once all rates for the year were collected and contained the names of those who had paid and the amounts. For the 1856/57 and 1857/58 year, collectors forwarded the money to the LEC chair or CBE representative.<sup>67</sup> Once a government responsibility, the money was sent to the Provincial Secretary. The amount of rates received was recorded in the CBE minute book and later the government accounts.

On the whole, collection of the education rate was done honestly. However, there is one case of suspected misconduct involving the district constable and education rate collector for Waimea South (Spring Grove) Mr Thomas Andrews. The first indication of trouble came in 1861 when there was a suggestion of gross negligence as he had not forwarded to the Provincial Secretary the rate received from two men who were subsequently summoned but could prove they had paid.<sup>68</sup> In 1867, a similar situation arose. Excuses provided by Mr Andrews for his behaviour included “cannot make out a correct list of householders in the education district” and “that I had the receipt book in my pocket when the rate was paid and I was from home”. He blamed two factors, firstly the willingness to allow his family to make out receipts and secondly, the short notice given to him for sending in the rate accounts.<sup>69</sup> As a result, the Inspector of Police informed Mr Andrews in August 1867, that “in consequence of you not having satisfactorily explained some discrepancies which occur in your accounts you will be suspended from further duty until some form of official enquiry is made into the matter”.<sup>70</sup> Later in the month, he was removed from his position as district constable and education rate collector.<sup>71</sup> This led to petitions from the local community to the NPC for an inquiry into and compensation to be paid to Andrews for his removal.<sup>72</sup> These were subsequently dismissed.<sup>73</sup>

To ensure that these types of irregularities did not reoccur; from 1869 the education rate collectors had to complete a statement of education rates received, which was part of a printed form that listed district, date, householder name, amount received and total collected. The witnessed statement stated that the education rate collector “solemnly and sincerely declare that the above sums” as specified “is the true amount of the education rate received by me”.<sup>74</sup>

Following on from this the Inspector in August 1870 made several suggestions on how to further improve education rate collection, including that the list of ratepayers had to be signed by both the collector and LEC chairman and that all collectors had to give security.<sup>75</sup> From September 1870, security of £50 was required from the education rate collector along with two guarantors except when the guarantor was an assurance company.<sup>76</sup>

#### **4.5 Enforcement**

The Education Ordinance (1856) made provision for the recovery of unpaid rates by allowing the CBE to sue the defaulters. In the first year of operation (1856/57), implementation problems were encountered along with some resistance to paying. The first issue faced by the board was how to proceed with the summonses. Legal opinions were obtained<sup>77</sup> and the LECs were requested to provide a list of defaulters as well as those they had exempted for poverty or any other unavoidable cause, such as insolvency.<sup>78</sup> These lists were laid before the CBE's September meeting for consideration where they decided all defaulters who had not paid their education rate were to be summoned. Due to the large number, the proceedings were staggered.<sup>79</sup> Decisions were made in some cases to give people further time for payment and the proceedings were publicly reported, but defaulters were not named.

In December 1856, the LECs were asked to provide an updated list of who had not paid and recommend further exemptions and those allowed time to pay.<sup>80</sup> The amount of arrears collected was £110-15-0 or 9% of the total education rate. By 11 June 1857, there were only 79 people who had defaulted, 37 in Nelson, 16 in Waimea East, 8 in Waimea South, 3 in Motueka and Riwaka, and 15 in Motupipi.<sup>81</sup> Lundy (1963) suggests the reasons were that those in Nelson could not pay because of economic conditions and in Waimea South some did not, because of the German distrust of the public system. However, if this was the case why were there not defaulters in the Moutere, as there was a large community of German immigrants at Sarau. To these reasons could be added the Catholic resistance in Waimea East and the difficulty of executing summonses in Motupipi due to distance and a lack of Resident Magistrate. The CBE in their December 1856 report attributes the difficulties with the collection of the education rate to the non-payment by a large number of people and the necessity of having to summon them, which was more difficult in rural districts. The CBE faced similar problems when collecting the 1857/58 rate with the amount of rate arrears for the 1857/58 educational year being £99-19-0 or 10% of the total.

The 1858/59 education rate collected in December 1858 had, according to Lundy (1963), few defaulters. His assertion is supported by the provincial accounts with the amount of rate recorded in that year being far greater than the previous two. Nonetheless, by June 1859 approximately 9% of the rate was uncollected, a similar amount to previous years. The rate was now the responsibility of the provincial government, and it is possible this change increased the amount collected. Other likely reasons may have been the payment of a commission for collecting rates, increasing prosperity in the rural areas, or a growing acceptance of the rate. Mr T Fagan, the Nelson rate collector, provided support for the later when he stated that:

Upon the whole I consider a greater willingness has been exhibited to pay than on any former occasion and but for the scarcity of money I believe nearly the whole would have been paid by this time.<sup>82</sup>

Poverty was also the reason given by the Motupipi collector for giving settlers extra time to pay.<sup>83</sup> A newspaper notice in April 1859 reminded those who had not paid “to pay this rate, that they should delay no longer if the omission is caused by mere forgetfulness, which in very many cases we believe it to be”.<sup>84</sup> A similar notice was placed, for example in March 1860, and February 1866, notifying all those who had not paid to do so by the end of the month otherwise they would be summoned.<sup>85</sup>

The 1859/60 education rate was again collected in December. As previously there were defaulters with the Takaka collector indicating in several letters the difficulties experienced in collection the rate in his district. The main reasons given for non-payment were:<sup>86</sup>

1. No school in Takaka. This reason is supported by a letter indicating that once an agreement was reached on the Takaka school site “...several people paid the rate in the meeting room as soon as they thought the site chosen would answer their purpose”.<sup>87</sup>
2. Not having seen the advertisement in the newspaper due to isolation.
3. Beyond work, illness or poverty.
4. No children or no school-age children.

Nonetheless, the number of overall defaulters appears to be less. For example, the Motueka, Moutere, and Riwaka districts had two defaulters in total.<sup>88</sup> This supposition is confirmed by the amount of arrears in June 1859, which was 5% of the total education rate or nearly half of the previous years.

The next rate collection was on 1 November 1861 where again there were only a few defaulters, with for example the Stoke education district only having four.<sup>89</sup> Mr Baird, the collector in Motupipi, states that he found “it is not the want of willingness to pay but the want of means in the majority of rate payers”.<sup>90</sup> This was supported by Mr Taylor who reported that, on the whole, it was largely successful and only two people had to be summoned,<sup>91</sup> and by Robert Strange in Collingwood who also only had to summon two people.<sup>92</sup>

The education rate was next collected in January 1862, over 14 months since the previous one. There were some defaulters with both Collingwood and Motupipi collectors remarking that their districts had been without teachers for sometime and this had made the education rate difficult to collect and caused objections and refusals to pay.<sup>93</sup> After the Education Act (1863), there seems to have been little difficulty in collecting the rate, possibly because of the change to a 1 July date for collection, the increasing number of schools in the provincial hinterland or a growing acceptance of the education rate and its benefits. For example, in 1866 only seven people were summoned in the most populous educational district – that of the Town of Nelson. However, unlike in previous years the names of the people summoned were published in the new evening newspaper.<sup>94</sup>

The problem in the Massacre Bay area also appears to have disappeared with the Education Rate Collector for Motupipi and Takaka districts only summoning two defaulters in the 1866<sup>95</sup> year and three in the 1869 year due to the poor economic conditions.<sup>96</sup> Nonetheless, the education-rate-defaulter issue reappeared in the West Coast goldfields in 1868 and 1869 with many of those liable for the education rate not being prepared to pay it until schools were operational in the area. The Cobden rate collector in 1869 recorded a “general disinclination to pay it” and asked for permission to advertise in the local newspaper (Grey River Argus) as few read the Nelson newspapers and hence did not know the rate was due and where to pay it.<sup>97</sup> Over a dozen summonses were made. Excuses given by the defaulters were lack of information, that householders thought that “as the rate was not collected for 1868” they “could go for an indefinite period without paying” and poverty. The latter should have been exempted but could not be, as the LEC had not met for sometime.<sup>98</sup> Collection of the rate after 1869 on the West Coast goldfields does not seem to have been an issue, thereby reinforcing the point made above that once schools were built in an area the local community was happy to pay the education rate.

#### **4.6 A Measure of Success**

Although the early history of the education rate is chequered, there are grounds for concluding that the Nelson education rate was reasonably successful as a way of financing an infant system of public education. In the modern environment it is now difficult to appreciate the problems in communication and financing a new settlement on the other side of the world that were faced by the Nelson Provincial Government in establishing a revenue base for public education something which also needs to be borne in mind when assessing the tax.

Once the education rate had become established, proposals to shift education funding to some other basis (such as rates on property owners or pupil fees) did not garner much support during the time the education rate was in effect nor were they enacted. After the initial implementation and acceptance issues were overcome, subsequent legislative changes such as allowing Catholic schools to avail themselves of government funds and the levying of special rates, as well as increasing familiarity with it resulted in a growing community acceptance of the education rate. However, even after these alterations an increasingly smaller number of people still objected to paying the education rate because they did not benefit directly from the public system or they considered the tax base unfair. Others were unable to pay for poverty reasons.

Nevertheless, because of its perceived success, the Nelson public system became a model for other province's education legislation and the New Zealand Education Act (1877) borrowed much from it. The Wellington Education Act (1872) substantially copied the Nelson Act including the rating provisions, which the Hawkes Bay Province had had in place since 1868. The Province of Canterbury altered its denominational fee and government grant system between 1871 and 1873 to a secular system supported by taxation. Auckland in 1872, moved from a denominational fee and government grant system to a Nelson type system of secular education supported by an education rate. Lastly, in 1874 Taranaki moved to a provincial wide education tax (Butchers 1932; Mackey, 1967).

One of the factors behind the relative success of the education rate was that the tax had a social objective, that of education of settlers' children (especially the working class) as well as a revenue gathering one. This matched the view of society at that time that the provision of education was a social obligation and form of social control (Simon 2000). Furthermore, the users pays component of five shillings per school age child as well as adding an element of compulsion, placed the greatest tax burden on those who were going to benefit the most,

therefore it was seen as more equitable. This conclusion is supported by the difficulty experienced in collecting the education rate in areas with no schools. As the number of schools increased from originally 16 in 1856 to 68 in 1875 the resistance to paying decreased. Furthermore, the special local rate provisions of later Nelson Education Acts were only applicable to householders with children. The success can also be attributed to the willingness of the elected representatives to come up with solutions which had allowed a wide range of educational providers to receive funding from the education rate collected.

Nonetheless, it is unclear to what extent the acceptance of the tax was enhanced by it being imposed upon the heads of households rather than all individuals but the householder basis of assessment is likely to have made it more acceptable than if the education rate had been imposed strictly upon each person in a household. The decision to impose the education rate upon householders rather than all adults effectively recognised a household (as a proxy for a family) as an economic unit. Furthermore, it would have relieved the burden of the education rate against the poor as they were more likely to have shared accommodation with others on economic grounds than wealthier persons who desired greater privacy. Thus the decision to impose the tax on a householder basis would have resulted in some form of progressivity (admittedly in a crude fashion)<sup>99</sup> which addressed in some way the major objection to poll type taxes that of being unfair to the poor.

Another reason for the growing acceptance of the education rate could have been that, between 1856 and 1873, no change was made in the actual per householder or per child amount. This meant that over that time, if incomes had risen, the education rate became a smaller percentage of household finances. Anecdotal evidence of increases in the prices of consumer staples like butter (which increased in price by 33% between 1857 and 1867) gives tentative grounds for inferring that incomes must have also increased over the period to some extent, supporting the conclusion that the real burden of the education rate declined over time. In addition, although the population of the Nelson Province grew and hence the total amount of the education rate collected increased, the Nelson Provincial Government paid out of public revenue an increasing percentage of the cost of public education. In 1859, the balance between the education rate and vote was 50% each, but by 1875, only 28% was raised by the education rate and 72% of public education funding came via the NPC vote.

Applying Adam Smith's four canons of taxation, the education rate can also be considered a success. The education rate was relatively economical to collect. For 1859, the expense of collection was only 4.1% of the total education rate collected and remained at a similar level

in 1867 (4.4%) and 1875 (4.1%), being a modest percentage when one considers the difficulties of collecting money over a wide area where there were very poor roads and communications. The education rate benefited from the characteristics of most poll taxes in that it was simple and easy to understand something that would have also been important in colonial times when many householders would have had limited education. There is little evidence that the education rate was easy to evade or its assessment easily manipulated as the close-knit communities that had developed would most likely have exposed those who attempted to evade it. While it is difficult to assess the education rate's efficiency effects, there is no anecdotal evidence of any adverse effect upon householder's efforts to earn income or invest capital. The fact that the tax may have provided indirect incentives for parents to enrol their children in school may have eventually contributed to the Province's economic development, as education would have expanded the skill base of the Province. This was an argument used by the legislation's creators for the reason why every householder was liable to pay the education rate. Whether it met the fourth canon of equity is the contentious point but as suggested above the fact that it was a householder rate rather than an individual-based poll tax may have resulted in a rudimentary form of progressivity and hence achieved some degree of equity.

## **5.0 Lessons For Today**

Research of an historical nature can challenge contemporary beliefs and traditions and “offer some indicators of precedents and previous experiences that may affect future actions and policies” (Parker 1997, p. 112). This is based on a utilitarianism view of history whereby an historical approach can provide insights into the antecedents of current practices as well as the decline in others. Additionally, it can provide solutions to current issues along with informing future directions (Napier 1989; Previts, Parker & Coffman 1990; Napier 2006).

Although New Zealand's society today is obviously very different to that of provincial Nelson between the 1850s and 1870s, there are some lessons that can be drawn from this period that may be relevant to tax policy in modern society. Factors that made the adoption of the education rate successful included the wider acceptance of the community benefits arising from public education and that the education rate was supplemented by a user pays charge for those attending school. This suggests that taxes are more likely to be accepted by a community if it is seen that the revenue raised will be put to the greater good of that

community. It may also suggest that ear-marking of taxes for particular purposes can enhance the acceptance of a tax in comparison to situations where taxes are paid into a general fund and a direct connection cannot be easily established between taxes and services provided by Government. Other issues such as taxing at the community level (rather than at the national level) enables taxpayers to see direct evidence of the gain to be had from their taxes (such as the building of schools) and the identity of those benefiting may also be important in a tax being accepted by the community. By way of contrast, current tax policies are almost a direct opposite of this where most taxes are raised at the national level and it is almost impossible to identify a connection between taxes raised and the funding of specific outputs.

Poll taxes are usually found wanting because they are regressive. The key issue is whether by imposing a poll-type tax on householders rather than individuals (as was instituted under the UK community charge) a sufficient degree of progressivity results, which makes such a tax acceptable to taxpayers. The level of progressivity to be obtained today is likely to be much less than it was 150 years ago. This is because households are smaller (due to smaller families and more childless households with only one or two persons living together), and also that household size is less likely to be related to wealth given comprehensive social welfare available today.

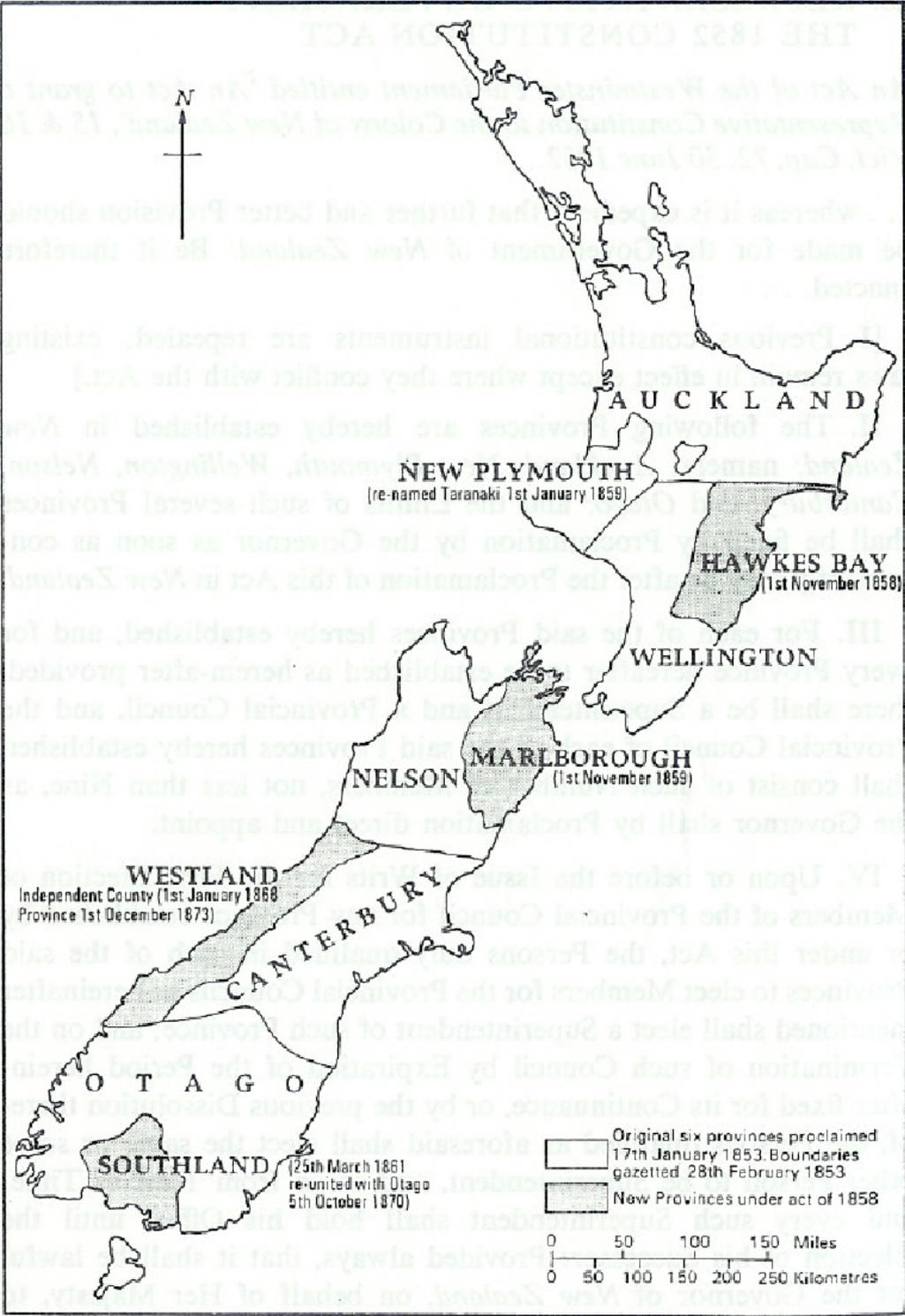
The research undertaken in this paper examines only one aspect of the Nelson education rate. Future research could add to or support the lessons suggested above. Possible areas for further research include a comparison with the funding methods for primary education in other New Zealand provinces, comparisons with other variations on poll taxes in 19<sup>th</sup> century US and the UK, and the examination of the origins of the legislation for the Nelson education rate.

## **6.0 Conclusion**

The Nelson education rate was one of a number of poll type taxes imposed in nineteenth century New Zealand. Unlike many poll taxes, the education rate was largely accepted by the community which is demonstrated by the fact that there was a reasonably high level of compliance and attempts to change the tax and impose it on other grounds were rejected several times. The main factor that appears to have influenced the acceptance of the tax was the ear-marking of the revenue raised for a specific purpose (education) something which the wider Nelson community perceived as important. Another factor that appears to have assisted in the acceptance of the tax was that there was a user-pays component to the public education

system so that householders without children did not pay for the entire education system. Furthermore, as the system expanded into the hinterland and legislative changes were made, there was less resistance as a greater number of people directly benefited. Nonetheless, whether a household-based poll tax would be acceptable in a modern society depends on whether it is considered progressive enough to overcome equity issues.

**Provincial Map of New Zealand**



**MAP 5. THE 1852 CONSTITUTION 1853-76**

(Source: McIntyre and Gardener, 1979, p. 74)

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- <sup>1</sup> Internet: <http://www.answerr.com/topics/poll-tax>, retrieved 11/02/2008.
- <sup>2</sup> James and Edwards (2007) make the point that tax simplicity is often at the expense of fairness and cite a poll tax as the best example of that point in support of their view that while tax simplicity is commonly given as a desirable goal taxpayers may in fact not be in favour of a simpler tax because of adverse impact on other goals such as fairness. (page 14.)
- <sup>3</sup> Laws passed in Session I and II are referred to as Ordinances while those passed in subsequent sessions are termed Acts.
- <sup>4</sup> These were sometimes referred to as mechanics and craftsmen. Free passage was granted to specific occupations within these classes. This along with other conditions was intended to ensure a supply of young healthy adults of both sexes.
- <sup>5</sup> Nelson Examiner 8 September 1855.
- <sup>6</sup> Nelson Examiner 8 September 1855.
- <sup>7</sup> Nelson Examiner 16 February 1856.
- <sup>8</sup> Nelson Examiner 9 May 1855.
- <sup>9</sup> Nelson Examiner 16 February 1856.
- <sup>10</sup> Nelson Examiner 26 April 1856.
- <sup>11</sup> Report of Central Board of Education for the half-Year Ending 31<sup>st</sup> December 1856, Nelson Province (NP) series 18/2, Archives New Zealand (NZ), and Nelson Examiner 8 April 1857.
- <sup>12</sup> D Sinclair to J P Robinson, 27 May 1857, Nelson Province (NP) Series, 57/411, Archives NZ.
- <sup>13</sup> Votes and Proceedings, 4 June 1857, Votes and Proceedings of the Nelson Provincial Council 1857, Archives NZ.
- <sup>14</sup> Nelson Examiner 13 March 1858 and 27 March 1858 and Education Amendment Bill, Session V 1858, Council Papers 1858, Nelson Province (NP) series 2/2, Archives NZ.
- <sup>15</sup> Votes and Proceedings, 28 May 1862, Votes and Proceedings of the Nelson Provincial Council 1862, Archives NZ.
- <sup>16</sup> Votes and Proceedings, 12 June 1862, Votes and Proceedings of the Nelson Provincial Council 1857, Archives NZ), and Nelson Examiner 18 June 1862.
- <sup>17</sup> Votes and Proceedings, 9 July 1862, Votes and Proceedings of the Nelson Provincial Council 1857, Archives NZ.
- <sup>18</sup> Nelson Examiner 25 March 1863 and 25 April 1863.
- <sup>19</sup> Minute dated 1 July 1869, Minute Book of First Board of Education Nelson 1856-1867, ABDW W3572 Box 26, Archives NZ.
- <sup>20</sup> Minutes dated 4 March 1869 and 1 April 1869, Minute Book of First Board of Education Nelson 1856-1867, ABDW W3572 Box 26, Archives NZ, and Extract from Newspaper, Nelson Education Committee Letter Book, Outwards Correspondence (1865-1873), ABDW W3572 Box 20 Vol. A, Archives NZ.
- <sup>21</sup> Votes and Proceedings, 28 May 1873, Votes and Proceedings of the Nelson Provincial Council 1873, Archives NZ.
- <sup>22</sup> Nelson Examiner 10 May 1856, 31 May 1856, 4 June 1856, 18 June 1856, 21 June 1856, and 25 June 1856.
- <sup>23</sup> Nelson Examiner 4 June 1856.
- <sup>24</sup> Nelson Examiner 7 June 1856.
- <sup>25</sup> Various to Superintendent, Petition against the Education Act 1856, 6 January 1857, Nelson Province (NP) series 2/2, Archives NZ, Nelson Examiner 14 February 1857 and 21 March 1857, and Votes and Proceedings 14 April 1857, Votes and Proceedings of the Nelson Provincial Council 1857, Archives NZ
- <sup>26</sup> Nelson Examiner 17 September 1856.
- <sup>27</sup> Nelson Examiner 20 August 1856.
- <sup>28</sup> AG Jenkins to Speaker of Provincial Council, Report of Central Board of Education for the half-Year Ending 30 June 1857, Nelson Province (NP) series 3/1, Archives NZ.
- <sup>29</sup> Memorial from Roman Catholics, Sess. 6 1859, Nelson Province (NP) series 2/3, Archives NZ, and Nelson Examiner 16 April 1859.
- <sup>30</sup> Nelson Examiner 14 May 1859.
- <sup>31</sup> Nelson Examiner 25 June 1859.
- <sup>32</sup> Votes and Proceedings 7 June 1859, Votes and Proceedings of the Nelson Provincial Council 1859, Archives NZ, and Nelson Examiner 11 June 1859.
- <sup>33</sup> Nelson Examiner 11 June 1859.
- <sup>34</sup> Nelson Examiner 23 March 1863.
- <sup>35</sup> Nelson Examiner 11 April 1863.

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- <sup>36</sup> Superintendent General Letters 1865-66 April 1859, 6 May 1865, 27 May 1865, and 6 June 1865, Nelson Province (NP) series 7/4, Archives NZ.
- <sup>37</sup> Nelson Examiner 10 October 1865.
- <sup>38</sup> Nelson Evening Mail 5 June 1866 and 21 June 1866.
- <sup>39</sup> Nelson Examiner 5 June 1866.
- <sup>40</sup> Petition to Council from Householders City of Nelson, District of Waimea and others, Votes and Proceedings, 10 June 1873, Votes and Proceedings of the Nelson Provincial Council 1873, Archives NZ.
- <sup>41</sup> Report of Central Board of Education for the half-Year Ending 31<sup>st</sup> December 1856, Nelson Province (NP) series 18/2, Archives NZ .
- <sup>42</sup> Nelson Examiner 10 June 1857.
- <sup>43</sup> Nelson Examiner 10 June 1857.
- <sup>44</sup> Nelson Examiner 6 June 1857.
- <sup>45</sup> Nelson Examiner 27 March 1857.
- <sup>46</sup> Nelson Examiner 5 December 1860.
- <sup>47</sup> Nelson Examiner 11 March 1862.
- <sup>48</sup> Nelson Examiner 11 April 1863.
- <sup>49</sup> Nelson Evening Mail 10 July 1866.
- <sup>50</sup> Extract of CBE Report, March 1869, NEC Letter Book – Outwards Correspondence, ABDW W3572 Box 20, Vol A. 1865-1873, Archives NZ.
- <sup>51</sup> Nelson Examiner 26 July 1856.
- <sup>52</sup> Nelson Examiner 7 November 1857.
- <sup>53</sup> Nelson Examiner 11 November 1857 and 6 October 1858.
- <sup>54</sup> Nelson Examiner 13 November 1858.
- <sup>55</sup> Minute dated 14 May 1860, Town of Nelson Local Education Board Minute Book 1856-1882, ABDW W3572 Box 76, Archives NZ .
- <sup>56</sup> Minute dated June 1862, Town of Nelson Local Education Board Minute Book 1856-1882, ABDW W3572 Box 76, Archives NZ.
- <sup>57</sup> Minutes dated 1 May and 8 May 1865, Town of Nelson Local Education Board Minute Book 1856-1882, ABDW W3572 Box 76, Archives NZ.
- <sup>58</sup> Minute dated 6 August 1866, Town of Nelson Local Education Board Minute Book 1856-1882, ABDW W3572 Box 76, Archives NZ.
- <sup>59</sup> G Taylor to Superintendent, Superintendent General Letters 1866, 20 September 1866, Nelson Province (NP) series 7/15 66/672 Archives NZ.
- <sup>60</sup> Minute dated 4 August 1856, Minute Book of First Board of Education Nelson 1856-1867, ABDW W3572 Box 26, Archives NZ) and Minute dated 4 August 1856, Minute Book of First Board of Education Nelson 1856-1867, ABDW W3572 Box 26, Archives NZ.
- <sup>61</sup> Minutes dated 5 November 1857 and 1 April 1858, Minute Book of First Board of Education Nelson 1856-1867, ABDW W3572 Box 26, Archives
- <sup>62</sup> Minute dated 21 July 1856, Minute Book of First Board of Education Nelson 1856-1867, ABDW W3572 Box 26, Archives NZ.
- <sup>63</sup> Minute dated 7 December 1857, Town of Nelson Local Education Board Minute Book 1856-1882, ABDW W3572 Box 76, Archives NZ.
- <sup>64</sup> Nelson Examiner 2 December 1857.
- <sup>65</sup> Nelson Evening Mail 25 April 1866.
- <sup>66</sup> Minutes dated 21 July 1856 and 5 February 1857, Minute Book of First Board of Education Nelson 1856-1867, ABDW W3572 Box 26, Archives NZ
- <sup>67</sup> Minute dated 21 July 1856, Minute Book of First Board of Education Nelson 1856-1867, ABDW W3572 Box 26, Archives NZ.
- <sup>68</sup> Resident Magistrate to Superintendent, Superintendent General Letters 1861 21 July 1861, Nelson Province (NP) series 7/6b, 61/408, Archives NZ
- <sup>69</sup> T Andrews to Provincial Secretary, 31 July 1867 and 6 August 1867, Papers relating to the collection of the education rate, Nelson Province (NP) series 18/3, Archives NZ).
- <sup>70</sup> R Shallcrass to T Andrews, 7 August 1867, Papers relating to the collection of the education rate, Nelson Province (NP) series 18/3, Archives NZ .
- <sup>71</sup> A Greenfield to T Andrews, 24 August 1867, Papers relating to the collection of the education rate, Nelson Province (NP) series 18/3, Archives NZ.
- <sup>72</sup> Letter to Provincial Secretary, 24 September 1867, Papers relating to the collection of the education rate, Nelson Province (NP) series 18/3, Archives NZ.

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- <sup>73</sup> Letter from Provincial Secretary, 20 November 1867, Papers relating to the collection of the education rate, Nelson Province (NP) series 18/3, Archives NZ.
- <sup>74</sup> Statement of Education Rate, 19 September 1869, Papers relating to the collection of the education rate, Nelson Province (NP) series 18/3, Archives NZ .
- <sup>75</sup> W. Hodgson, Inspector of Public Schools, 12 August 1870, Papers relating to the collection of the education rate, Nelson Province (NP) series 18/3, Archives NZ.
- <sup>76</sup> Bonds and Contracts of Government Officers (1854-1876), 17 September 1870, Nelson Province (NP) series 20/6, Archives NZ), and Bonds and Replies of Government Officers, 18 and 20 August 1870, Nelson Province (NP) series 20/7, Archives NZ
- <sup>77</sup> Minute dated 6 August 1856, Minute Book of First Board of Education Nelson 1856-1867, ABDW W3572 Box 26, Archives NZ.
- <sup>78</sup> Minute dated 22 August 1856, Minute Book of First Board of Education Nelson 1856-1867, ABDW W3572 Box 26, Archives NZ, and Minute dated 2 September 1856, Town of Nelson Local Education Board Minute Book 1856-1882, ABDW W3572 Box 76, Archives NZ.
- <sup>79</sup> Minute dated 5 September 1856, Minute Book of First Board of Education Nelson 1856-1867, ABDW W3572 Box 26, Archives NZ.
- <sup>80</sup> Minute dated 4 December 1856, Minute Book of First Board of Education Nelson 1856-1867, ABDW W3572 Box 26, Archives NZ.) and Minute dated 9 December 1856, Town of Nelson Local Education Board Minute Book 1856-1882, ABDW W3572 Box 76, Archives NZ.
- <sup>81</sup> Message No.30 from Superintendent, 11 June 1857, Votes and Proceedings of the Nelson Provincial Council 1857, Archives NZ.
- <sup>82</sup> T Fagan to J P Robinson, Superintendent General Letters 1858-1859, 1859, Nelson Province (NP) series 7/3, 59/234, Archives NZ.
- <sup>83</sup> G Taylor to J P Robinson, Superintendent General Letters 1858-1859, 2 December 1858, Nelson Province (NP) series 7/3a 58/781, Archives NZ.
- <sup>84</sup> Nelson Examiner 16 April 1859.
- <sup>85</sup> Nelson Examiner 31 March 1860, and 16 February 1866.
- <sup>86</sup> G Taylor to J P Robinson, Superintendent General Letters 1859, 14 December 1859, Nelson Province (NP) series 7/4a 59/1057, Archives NZ, , and G Taylor to J P Robinson, Superintendent General Letters 1860, 13 February 1860, Nelson Province (NP) series 7/4b, 60/109, Archives NZ.
- <sup>87</sup> W Goulding to Superintendent, Superintendent General Letters 1860, 29 May 1860, Nelson Province (NP) series 7/5a, 60/639, Archives NZ.
- <sup>88</sup> Papers relating to the collection of the education rate – list of education rate collected in the Motueka, Moutere and Riwaka districts, Nelson Province (NP) series 18/3, Archives NZ.
- <sup>89</sup> Papers relating to the collection of the education rate – list of education rate collected in Stoke education district, Nelson Province (NP) series 18/3, Archives NZ.
- <sup>90</sup> J Baird to A Greenfield, Superintendent General Letters 1860, 21 November 1860, Nelson Province (NP) series 7/5a, 60/692, Archives NZ.
- <sup>91</sup> G Taylor to Superintendent, Superintendent General Letters 1861, 15 February 1861, Nelson Province (NP) series 7/5bm 61/79, Archives NZ.
- <sup>92</sup> R Strange to Superintendent, Superintendent General Letters 1861, April 1861, Nelson Province (NP) series 7/6a, 61/168, Archives NZ.
- <sup>93</sup> R Strange to A Greenfield, Superintendent General Letters 1862, 1 April 1862, Nelson Province (NP) series 7/7, 62/156, Archives NZ, , and G Taylor to A Greenfield, Superintendent General Letters 1862, 28 June 1862, Nelson Province (NP) series 7/7, 62/325, Archives NZ.
- <sup>94</sup> Nelson Evening Mail 14 March 1866 and 11 April 1866.
- <sup>95</sup> G Taylor to Provincial Secretary, Superintendent General Letters 1866, 31 July 1866, Nelson Province (NP) series 7/15, 66/566, Archives NZ.
- <sup>96</sup> G Taylor to Provincial Secretary, Superintendent General Letters 1869, 1 May 1869, Nelson Province (NP) series 7/20b, 69/395, Archives NZ.
- <sup>97</sup> R Ray to Provincial Secretary, Superintendent General Letters 1869, 8 July 1869, Nelson Province (NP) series 7/21, 69/632, Archives NZ.
- <sup>98</sup> R Ray to Provincial Secretary, Superintendent General Letters 1869, December 1869, Nelson Province (NP) series 7/22, 69/970, Archives NZ.
- <sup>99</sup> One group who would have missed out upon the progressive effects from imposing the tax upon households would have been widows and widowers particularly those without children.