

LOCAL GOVERNMENT RATING ON
LAND VALUES IN SOUTH
AUSTRALIA.

(Third Paper).

(For the Review)

THE LAND VALUES ASSESSMENT ACT, 1893.
THE LAND VALUES ASSESSMENT AMEND-
MENT ACT, 1900. THE LAND VAL-
UES ASSESSMENT AMENDMENT
ACT, 1910.

Provision was made in Part 19 of the Municipal Corporation's Bill of 1890, to levy revenue by a rate on the unimproved value of the land. This part passed the House of Assembly without any difficulty, but was rejected by the Legislative Council. The Bill was returned to the Assembly with Part 19 struck out; but the Members of the Assembly insisted upon that part being in the Act, and it was again sent back to the Council. Once more our local House of Lords rejected it.

After this it was felt that it would not do to seriously impair the efficiency of the Act, and perhaps prevent its passing altogether by insisting on this particular Part remaining in, and so the main Act was passed without any provision for rating on land values.

Section 222 of the Municipal Corporation's Act of 1890 provides the following principles for the making of assessments.

(1). As to any ratable property, except such as is mentioned in sub-section 11 of this section, according to the full, fair, and average estimated annual rent (clear of all outgoings) at which the same would let for a term of not less than seven years if such rent shall be more than five per centum upon the value of the fee-simple of such property, but if not then according to a percentage of five per centum upon such value:

(11). As to any ratable property being an area of land within the Municipality, unbuilt upon, comprising a block of not less than twenty acres, not divided by roads, or used only for pastoral or agricultural purposes, according to a percentage of two and

a half per centum on the value of the fee simple.

Section 238 of the Municipal Corporation's Act gave power to raise revenue in the following manner.

A rate for general purposes of this Act, not exceeding one shilling in the pound in any one year, to be called a general rate:

A rate for lighting the Municipality, not exceeding four pence in the pound in any one year:

A rate for the improvement and ornamentation of the park lands, squares, or reserves of the Municipality, not exceeding three pence in the pound in any one year.

The Public Health Act gave power to rate up to a shilling in the pound, Section 240 of the Act also provided that "If the general rate be insufficient for carrying out any purpose by this or any other Act authorized to be carried out by the Council, the Council, by a resolution passed by a majority of all the members thereof, may, with the consent of the ratepayers, declare a special rate for the year on the ratable property within the Municipality." "Provided such special rate . . . together with the general rate, shall not exceed two shillings in the pound in any one year."

The members of the House of Assembly who were defeated in their efforts to get the principle of land values rating recognized in the main Act were not ready to submit quietly to the defeat, and so in 1891 a separate Bill providing for Land Values Assessment for Local Government purposes was introduced and passed by the Assembly. The Legislative Council again rejected the proposal, and the Bill met a similar fate in 1892.

In 1893 the Bill was passed by the Assembly, but it was so mutilated and amended by the landlords in the Legislative Council as to make it unworkable.

The term "Ratepayer" was altered with the result that all except those who actually paid the rates were disfranchised. This was a serious thing, for it meant that in the City of Adelaide, 8,000 out of 11,000 on the roll would be disfranchised. Section 9, Part 2, of the Land Values Assessment Act of 1893 provides that it shall "not come into operation until after a special proclamation

by the Governor in the Government Gazette, made upon the petition of the Council of any Municipality to the effect that this Part of this Act shall come into operation as regards such Municipality."

The effect of this clause was practically to give the Councils the power to say whether a poll of the ratepayers on the question should be held. No matter if the whole of the ratepayers outside the Council were desirous of rating on land values, if the Council refused to petition the Governor, the will of the people could be blocked. The power thus placed in the Council's hands has been used against the people. At Moonta, the Town Council for three years refused to allow the ratepayers an opportunity of expressing their opinion at a poll; and at Norwood the power has been used in a similar manner.

Section 11 provides that "No petition shall be presented by any Council until after a poll of the ratepayers shall have been taken affirming a proposition in favor of this Act coming into operation . . . and at which at least one half in number of ratepayers shall have voted."

The latter part of the Section requiring "at least one half in number of ratepayers to have voted" before the poll could be effective, rendered the Act almost useless. All opponents had to do was to stay away from the poll to defeat the proposal. On August 10th, 1895, the Municipality of Gawler decided to take a poll. There were 500 ratepayers on the roll. The voting was as follows:

For Land Values Rating 114
 Against Land Values Rating 12

Despite the fact that a large majority of those going to the poll desired to adopt the new system, the poll was not valid on account of there not being "one half in number" of the ratepayers on the roll having exercised their franchise. The opposition simply decided not to vote, and one large employer of labor stood outside the polling booth all day to intimidate his employees from voting.

Various attempts were made to get the Act of 1893 amended; and in 1900 the Council struck out the definition of "Rate-

payer" in the Main Act, and now "owners," and "tenants" are both regarded as "Ratepayers" and are entitled to vote. Furthermore that part of Section 11 providing that at least "one half in number on the roll shall have voted" was struck out, and the following words inserted in lieu thereof: "and at which at least one fourth in number of the ratepayers on the roll shall have voted affirming such proposition."

Although this amendment was an improvement on the original clause, it left a lot to be desired, as a reference to the voting at the polls will show. The polls should be decided by those who record the franchise, and not by those who stop at home. We intend to continue our agitation until a simple majority of those going to the poll shall have the right of determining how revenue shall be raised.

If a Council decides to grant a poll of the ratepayers, subsection 2 of Section 11 provides that "one month's previous public notice by advertisement in the Government Gazette, two newspapers circulating in the Municipality, and by printed placard placed outside the office of the Corporation of the intention to hold such poll shall be given by the Council."

It is further provided that "before the poll is taken the Town Clerk shall prepare a tentative assessment of all the ratable property in the Municipality showing, so far as practicable, how such property will be assessed on this part of the Act coming into operation, and also the rates that will then be payable by each assessed property on the assumption that the total rates to be declared will be equal in amount to the total rates for the year in which the poll is taken. The tentative Assessment, as well as the actual assessment, for that year shall be open for the inspection of any person interested for at least twenty-one days before the taking of the poll."

The above provision regarding the preparing of the tentative assessment is a needless expense. Very few ratepayers trouble to look at it, but although many attempts have been made to repeal that part of the section, we have not been successful.

Subsection 2 of Section 14 of the Land Values Assessment Act of 1893 made it

compulsory for all Municipalities that came under the provisions of the Act to adopt the Government assessment of land values. This did not make for success. The Government Values having been made for National purposes, were not sufficiently accurate for local Government purposes. Moreover, there was a considerable number of anomalies in the valuation, some values being too high, others too low. The Government assessment was made once in every five years, and consequently was not up-to-date. Because of this there was just grounds for complaint as to values. This difficulty has been removed, as under Section 3 of the Amending Act of 1910 "it shall be lawful for the Council from time to time to make its own assessment under Part 2 of the Act of 1893, without adopting the Government Assessment." It is further provided that this assessment "shall remain in force for such period as the Council determines, not being longer than one year from the making thereof."

This means that the Councils have the power to make their own assessment each year. Knowing the local conditions better than any Government assessor, the town Valuator can adjust values from time to time in accordance with the growth and prosperity of the town. The power granted by this amendment has removed the chief ground of complaint, i. e., the faulty valuation under the Government Assessment.

The Act of 1893 handicapped municipalities on account of a limitation in the rating power. Section 37 gave Councils power to declare rates for the purposes mentioned previously in connection with the "Municipal Corporation's Act, 1890," and "The Public Health Act."

Subsection 2 provided "As to the Corporation of the City of Adelaide, the total rates under this section shall not in any one year exceed threepence in the pound of assessed value."

Subsection 3 "As to any other Corporation now existing, the amount in the pound of any rate shall in no case, in any one year, be more than would, if such rate had been declared on the assessed value of the ratable property within the Municipality according to the first assessment made under this Act

have sufficed to produce a sum equal to that which the Corporation could, before the coming into operation of this part of this Act shall, as regards such Municipality, have come into operation."

This limitation of rating power was a serious defect. No matter how the towns progressed, they were unable to raise any more revenue for public purposes, than was possible the first year of adopting the new system. After many attempts to remove this restriction, the Legislative Council, in Sections 5 and 6 of the Amending Act of 1910, graciously repealed the restrictive clauses on the Main Act of 1893, and Municipal bodies now have the same power of raising revenue as they possessed under the Municipal Corporation's Act of 1890. Although many defects in the original Act have been removed, it is far from perfect. The people should have the right to take a poll any time they desire, without consulting the wishes of the Council, and a simple majority going to the poll should decide the matter. We intend to continue our agitation until this desired result is secured. I should mention that after land values rating has been in operation in any municipality for two years, the ratepayers have the right of asking for a poll for the purpose of returning to the old system if they so desire.

Since land values rating has been adopted in South Australia, only one request has been made for a poll for the purpose of giving the ratepayers the opportunity of reverting to the old method of taxing improvements, if they so desired. That request came from Thebarton. The opponents of the system, attempted by means of faulty administration to discredit the principle, and then at the request of only six ratepayers granted a poll. To their great surprise, land values rating was re-affirmed by a big majority. The poll was held on December 6th, 1913, and the following proposition was submitted:

"That Part 2, of the Land Values Assessment Act of 1893, providing for taxing land values only, cease to operate as regards this municipality."

The vote was— For 360
Against 695
Informal 44

This was a big victory over the opponents, as the majority in favor of retaining land values rating was 335 as against a majority of 268 secured at the poll in 1907, when the system was first adopted. Furthermore, owners and occupiers were allowed to vote at the 1907 poll, whereas in 1913, the voting was restricted to owners only. Seeing that the actual owners of the land have approved of the system by such a large majority, it is not likely that opponents elsewhere will make any request for polls to revert to the old system. The good effects of the system of taxing land values only are apparent to all not blinded by vested interests.—E. J. CRAIGIE.

WILLIAM C. WULFF, of Chicago, suggests for stencil use by the New York State Single Tax League "Single Tax and Lasting Prosperity."

"CANADIAN Progress in Taxing Land Values" is the title of an address delivered by W. H. Douglass before the Philadelphia Single Tax Society on April 22.

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(Signed) JOSEPH DANA MILLER, Publisher.

Sworn to and subscribed before me this 15th day of March, 1915.

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SOCIALISM AS THE SOCIOLOGICAL IDEAL.*

Mr. Melvin undertakes to demonstrate that the social democratic organization of industry will be a concrete manifestation of the sociological ideal. This ideal, tho nowhere definitely stated as such, seems to be the social system which seeks by means of the social control of heredity and environment to direct the further progress of civilization in accordance with the ideals arising through social self-consciousness. This is the true Socialism, of which the socialistic regime is the practical application. No philosophical basis for the ideal is attempted. We are left to infer that a high degree of democratic socialization is of necessity a good.

The anthropology of the book is ridiculous and naive, its bibliography a most entertaining hodge-podge. The author is read in only a certain class of "social" speculation. It is highly dubious whether sociology is a science, and the irritating stress laid upon its scientific character, seems strange when one considers its utterly poor scientific material. Sociology is a compound of anthropology, political philosophy and history. Its peculiar significance is philosophical rather than scientific. We miss throughout the book the fine metaphysical equipment of Mackenzie's on "Introduction to Political Philosophy," or the passion of Fitz-James Stephens' "Liberty, Equality and Fraternity."

The work seems throughout to confound similarity of function with equality of opportunity to function. It is not an extension of democracy to make men physically alike, neither is it an extension of democracy to make them financially, mentally and spiritually alike. The function of democracy as we conceive it, is to allow of so much individual development as is compatible with the development of any other member of the group. Although he expressly repudiates it, the logical ideal of the author's democracy would be a Jesuit society, "each for all and all for each," in which the common will is the will of all, in

* Socialism as the Sociological Ideal. By Floyd J. Melvin. Sturgis & Walton, New York City.