

TAXATION OF LAND VALUES IN
SOUTH AUSTRALIA.

(Second Paper).

(For the Review).

I can confidently recommend this First Report of the Colonization Commissioners' Report to any one in need of convincing evidence that the land and labor questions are linked together. These Commissioners were shrewd gentlemen, and they saw that control of the land meant control of the people who lived on the land. If the wealth-producers had the same power of discernment, they would soon be freed from the shackles which now bind them, and instead of having to go cap in hand to the landlord seeking employment, they would be free men, getting the full product of their labor as the natural recompense for their efforts.

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The surveys of the city of Adelaide were completed by March 10th, 1837; 1042 acres having been laid out and numbered. On the 23d March, the representatives of the 437 preliminary sections were put in possession of their allotments. On the 27th, the remainder of the 1042 acres were put up at auction at the upset price of £1 per acre, and realized an average of £6.0.9. each, or £3594.4.0. Today the unimproved value of these 1042 acres is £5,188,610.

In 1836 and 1837, the first two years of the colony's existence, there was no revenue. The expenses were paid from money raised by loans and by advances made from the Emigration Fund. The prospects were not then bright from a financial standpoint, and land speculation was causing further embarrassment. Land that was originally selected at 12s. per acre during this, the first land boom, sold from £80 to £100 per acre, some well situated sites realizing as much as £250. The usual result followed. The crash came, the majority were disappointed, and the price of land fell considerably. Colonel Gawler, who was then Governor, finding the revenue of the colony being insufficient to meet current liabilities, drew upon

the Home Government without authority, and his bills were returned dishonored. A financial collapse occurred, a number of people being absolutely ruined. Colonel Gawler was recalled, being superseded by Captain Grey in 1841. South Australia was at this period to all intents and purposes a Crown colony. It was ruled by the Governor and his executive council under instructions from England. The people had no voice in public affairs, and no control over taxation placed upon them. In 1851 this system of government was abolished, and a legislature of one chamber, composed of 16 elected members and 8 nominees, erected in its stead. In 1855 a Constitution was adopted, modelled on the lines of the legislature in England. There were two houses—a Legislative Council and a House of Assembly. The former was chosen on the basis of property qualification for the electors. The House of Assembly was chosen by manhood suffrage. The Imperial authorities accepted this Constitution and responsible government was established in 1857.

TAXATION OF UNIMPROVED VALUES.

South Australia enjoys the distinction of being the first State to adopt the system of taxing unimproved land values. It was first collected in 1885 under the "Taxation Act" of 1884. Herewith follow some of the most important sections of the Act:

TAXATION ACT, 1884—THE LAND TAX.

Section 7. A tax is hereby imposed on all land in South Australia, with the following exceptions:

(1) Land of the Crown which, for the time being, shall not be subject to any agreement for sale or right of purchase.

(2) Park lands, public roads, public cemeteries and other public reserves.

(3) Land used solely for religious or charitable purposes, or used by any Institute under the provisions of the Institutes Act, No. 16 of 1874.

Section 8. The land tax shall be at the rate of one-half penny for every pound sterling in the amount of the taxable value thereof.

Section 11. The unimproved value of

any land shall be the taxable value thereof.

Section 15. The taxpayers in respect of the land tax shall be the owners of the fee simple of the land taxed.

Section 21. The burden of the land tax shall be distributed between the taxpayers in the relative proportions of the value of their interests in the land taxed. And every taxpayer who shall have paid any land tax shall be entitled to recover from every other taxpayer in respect of the land tax of the same land a proper proportion of the amount paid.

ASSESSMENTS FOR LAND TAX.

Section 36. The Commissioners shall, once in every third year, make an assessment of all land liable to land tax, and general notice of the making thereof shall be given so soon as conveniently may be after the same shall have been made, and immediately thereafter such publication, such assessment shall be and remain in force, except so far as the same may at any time be altered, until a new assessment shall be made.

Section 41. So soon as any such assessment shall have been made by the Commissioner, the assessment book, or a true copy thereof, shall be deposited in the office of the Commissioner, and the same shall be open, free of charge, to public inspection.

Section 57. "All land tax shall, until payment, be a first charge upon the land taxed, in preference to all rates, mortgages, charges, and encumbrances."

In sections 58 and 59, provision is made whereby if the land tax remains unpaid for a period of two years, "it shall be lawful for the Commissioner to cause to be published for three consecutive weeks in the *Government Gazette*, a notice specifying such land, and the amount of the taxes due in respect thereof," and if the said taxes are not paid within one year from the first publication of the notice "the Commissioner will let the land from year to year," or will apply to the Supreme Court for "a sale thereof." If after one year of publication of notice, "all or any part of the taxes due" are still unpaid, the Commissioner may let

the land from year to year, "and may receive the rents and apply same towards the payment of the said taxes, and costs and expenses, and hold any surplus for the persons entitled to the income of the land."

Sections 60 and 61, provide that "the Commissioner, in lieu of letting such lands, may, by petition to a judge of the Supreme Court, apply for a sale of the land;" and the judge has power to order the sale; a sufficient amount to pay all arrears due, together with all costs, shall be paid into the Court, and "the balance arising from the proceeds of the sale" shall be held for "the benefit of the parties interested therein."

Appeals against assessments are to be made to the Commissioner, and his decision may be appealed against to a special Court of Appeal.

The first land tax bill was introduced in 1884 by the Hon. W. B. Rounsevell, who was Treasurer in the Colton Ministry. From 1884 to 1895, there was a uniform all round tax of one-half penny in the £. In 1895, under the Taxation Act Amendment Act, 1894, an additional ½d. in the £ on values above £5000 and 20 per cent. on and added to the taxes payable by absentees was also collected. These rates continued until 1903, when the all-round tax was increased to three farthings in the £, the additional on values above £5,000 remaining at ½d.; with the absentee tax charged only on the ½d. in the £ values; each tax reverting again for 1904 to rates in force prior to 1903. In 1905 the rates were an all-round three farthings in the £, and three farthings in the £ on values above £5,000, with 20 per cent. on total of both taxes for absentees. For 1906 and on to the present, the rates prior to 1903 are in force. In 1910 and 1911, Mr. Crawford Vaughan, who was treasurer in the Verran Government, endeavored to increase the land tax to one penny in the £ all-round, but the Legislative Council threw out the proposal each time.

Under the Act of 1894, "absenteeism" consisted of absence from the State for the period of two years prior to the date

on which the tax became due, but the duration of absence was reduced to twelve months by the Amending Act of 1904.

The clause in the main Act of 1884, providing for the making of assessments every third year was repealed by the Amending Act of 1902, and fresh assessments are now made only once in every five years.

The Taxation Amendment Act of 1908 gives the definition of "Unimproved Value" as follows: "Unimproved value" of any land shall be deemed to be the capital amount for which the fee simple of such land might be expected to sell if free from incumbrances, assuming the actual improvements (if any) thereon had not been made: Provided that "improvements" shall be deemed to be houses and buildings, fixtures, or other building improvements of any kind whatsoever, fences, bridges, roads, tanks, dams, wells, fruit trees, bushes, shrubs, or other plants, whether planted or sown for trade or for other purposes, draining of land, ring barking, clearing from timber or scrub, and any other visible improvements the benefit of which is unexhausted at the time of the valuation."
—E. J. CRAIGIE, Adelaide, South Australia.

THE WOMEN'S HENRY GEORGE LEAGUE DINNER.

On February 12, the Women's Henry George League gave their annual dinner at the Fifth Avenue Restaurant, this city. Miss Amy Mali Hicks acted as toastmaster.

Miss Elma Dame spoke of the substitution of charity for justice in modern practice. She drew from her settlement work experience illustrations to enforce her argument. She told of the futility of much of the work of charity organizations. She related one case of sixteen investigations before relief was given. Mentioned one "subject" who was told that the organization had learned that "one year you received twenty dollars a week; why didn't you save something?" She closed with an appeal for economic justice.

Mr. Weymann discussed the impossibility of shifting the land value tax.

Mr. Leubuscher paid a high compliment to Mr. Bastida's article in the Jan.-Feb. SINGLE TAX REVIEW and declared himself in entire agreement with him. He recalled the old days when we spoke of Free Trade and Free Land, "and the greatest of these was Free Land."

Miss Colbron made an entertaining speech, and Mr. Hall made clear the distinction between the German municipal attempts to take the so-called "unearned increment," and the German transfer taxes with the pure Single Tax and showed how these methods were evil in that they gave the government an interest in the speculative value of land, and said that no matter how much you take in this way it does not render land any more easy of access. He wound up by telling a good story which appears on another page of the REVIEW.

Mrs. Mary Ware Dennett made the following address which we are glad to place before our readers as a refreshingly novel presentation:

ADDRESS OF MARY WARE DENNETT.

In most Single Tax discussions I find myself longing for another set of terms, for a "lingo" less misleading to the average person, who is a latent Single Taxer, but who as yet doesn't know it. We want our movement to march on, and to do it as quickly as possible, therefore we must have nothing in our way that can be avoided.

We know that we can't win the Single Tax, till a large number of people want it, and it is our business to multiply that number with all possible speed. Many of you were present at the recent dinner of The Lower Rents Society and heard Surgeon-General Gorgas say that even if he did believe in the Single Tax, if he had the power to bring it about as he had had the power to achieve sanitary conditions by military authority, he would not exert that authority, and his audience cheered him as a good democrat. Single Taxers generally agree with him that democracy, to be the real thing, must be consciously achieved by the people, not thrust upon them by any beneficent powers.