

and from their magic contact clay and timber become dwellings, iron becomes locomotives, rags become books and seed becomes harvests. Let these two factors come together and abundance blesses their union; divorce these two factors and desolation comes with the certainty of fate."

"Why was it that this man and thousands of others did not go with alacrity to the land, to the mine or the forest, that they might produce the abundance for their wants? What brought the divorce? Is not the answer right here, that millions of acres of the best land on the face of the earth are held by those who will not use them themselves or let any one else use them? Or if the so-called owners do permit their fellows to use these opportunities is it not on condition that they must surrender all their productions except the meagre pittance necessary to support a bare animal existence?"

"Between pitiful hunger and the sources of its satisfaction, between the heritage of God and God's children, we interpose our power of extortion, till we drive men to crime, women to want and children to beggary.

"And, then, and then," he repeated with solemn emphasis "we build our sanctuaries and ask them to come to Jesus.

"Oh! the travesty of religion. The Bible with its benedictions of blessedness, its effulgence of all that is loftiest in the thought of man or the heart of the Deity, on the one hand; the wormwood and gall, to human existence by our impoverishing extortions on the other. Could blunder be more terrible, could error be more sad?"

RATING UNIMPROVED LAND VALUES IN NEW SOUTH WALES.

BY MAX HIRSCH.

The Government of Sir Hector Carruthers passed an Act in 1905 (The Local Government in Shires Act) giving self-government to rural areas and compelling local authorities established under it to levy their general rates on the capital unimproved value of land, and giving them the option to levy special, local and loan rates, either on the capital unimproved value or on the capital improved value. As this Act was merged in the Local Government Act, 1906, almost without alteration, provisions need not be detailed. The latter Act, which came into force in 1908, was also passed by the Government of Sir Hector Carruthers, and applies to the whole of the State of New South Wales, with the exception of the City of Sydney, but not excepting the suburbs. It is proposed to include the City of Sydney during the present year (1908).

This Act is, in many respects, a model of its kind, and especially as regards the levying of the revenue for local purposes. In this respect it prescribes: On the imposition by any local body of a rate on the unimproved value of land, as prescribed in the Act, the suspension of the State Tax on the unimproved value of land within the area of such locality.

As to Shires (rural areas), a general rate of not less than 1d. in the £ and not more than 2d. in the £ upon the unimproved capital value of all rateable land in the shire, to be levied annually by the Council of such shire, provided that on representation by any Shire Council that the revenue derived from 1d. in the £ is in excess of its requirements, the Governor-in-Council may permit the reduction of the rate below 1d. in the £. Special rates, loan rates, and local rates may be levied whether upon the unimproved or the improved value of land as the Council may decide, provided, that if a poll be demanded by one-sixth or not more than fifty property owners, including Crown tenants, a referendum of property-owners shall by a simple majority decide the basis of rating for such special or local rates.

As to Municipalities (urban areas), the Council shall annually strike a general rate of not less than 1d. in the £ on the unimproved capital value of the land rateable in the municipality. Any additional income required from general rates, the Council may assess either upon the improved or the unimproved capital value of the land, subject to a referendum of the ratepayers on the question of the basis of such further assessment, if such referendum be demanded by 100 ratepayers. Similar provisions apply to the assessment for special rates, local rates, and loan rates, by municipalities, as have been set out as applying to shires. In either case, it will be seen that only property owners and Crown tenants can vote in a referendum on such rates.

Limitations of Rating Power.—In a municipality the revenue from general rates shall not exceed the revenue derivable from a combined rate of 2d. in the £ of unimproved value and eighteen pence on the annual improved value, but the whole of it may be levied from the capital unimproved value. The revenue derivable from all rates may not exceed that derivable from a combined rate of 2d. in the £ of capital unimproved value and 24 pence in the £ on the annual improved value. These limits may be enlarged on application to the Governor-in-Council for cause shown.

Further Rates.—In addition both shire and municipal councils may levy water rates, sewerage rates, and other rates under special Acts, either on the improved or unimproved capital value of the land, subject to a poll of the property owners only, inclusive of Crown tenants, as provided for the determination of the basis of other rates.

Further provisions are: As to Mines.—For the purpose of the Act the unimproved value of a coal or shale mine is fixed either at a sum equal to 3s. per ton on the annual output of large coal and eighteen pence per ton of small coal, the average of the three preceding years being taken, or at the saleable value of the mine, less the value of the actual serviceable improvements. The option as to which value shall be taxed rests with the council of the municipality or shire. For the metalliferous mines the unimproved value is defined as a sum equal to 20 per cent. of the annual saleable value of the ore or minerals won, or of the products of such ore or minerals, the average of the three preceding years being taken, or, where the land is not being principally worked as a mine, the saleable value of the property less the value of serviceable improvements thereon. Pro-

vided that no such metalliferous mine shall pay more than 2d. in the £ of its unimproved capital value.

Rateable land owned by the Crown and not leased may only be rated on its unimproved capital value. Crown lands held under lease or license from the Crown may be rated as other land, but their unimproved value shall be taken as twenty times the rent payable by the tenant during the preceding year.

Not Rateable are: Commons, public parks, and public reserves unlet; cemeteries, public hospitals, benevolent institutions, and buildings used exclusively for public charitable purposes, churches, public libraries, unoccupied Crown lands, lands vested in the University of Sydney and occupied solely for purposes of education, lands vested in the Chief Commissioner of Railways and actually used for railway or tramway purposes.

An agitation has been started by suburban municipal councils to remove the exemption of land used for ecclesiastical and educational purposes (1908).

It will have been noticed that as regards the general rate, rating on the unimproved value is partly compulsory and partly optional for municipalities, and entirely compulsory for shires, and that it is optional for either as regards all other rates. It is, therefore, a remarkable fact that almost throughout the whole State the rates have been placed on the unimproved value of land, either through the action of the councils, or where these preferred the dual system, through that of the landowning ratepayers themselves. The State contains 134 shires and 190 municipalities, or in all 324 rating bodies. Only 25 of these have placed any part of their rates on improved land values, and even in their case fully three-fourths of the revenue is derived from assessments on the unimproved value of land. More remarkable still are these facts.

No poll has been demanded in any municipality or shire, the vast majority in which the council determined to concentrate all the rating on the unimproved value of land. In only 33 cases did the councils decide to place part of the rates on the improved value of land. In eight municipalities this decision was challenged, and though only landowning ratepayers can take part in the poll, in each case the council's decision was reversed by considerable or large majorities, who declined to sanction any part of the rates being placed upon improvements, viz. :—

	Against Councils' Decision	For Councils' Decision	Majority Against Rating Improvements
Blainey.....	30	17	13
Liverpool.....	169	20	149
Broken Hill.....	421	266	155
Randwick.....	322	248	74
Alexandra.....	221	50	171
Waverley.....	413	333	80
Woolhara.....	271	171	100
Mosman.....	388	84	304
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Total.....	2235	1198	1046

The opponents amongst the landowning ratepayers, therefore, were little more than one-third of the total. Moreover, in several cases in which councils had announced their intentions or had actually passed resolutions in favour of the dual system of rating, public agitation was sufficient to cause them to alter or reverse their decision before a poll could be taken.

At the time of writing no definite information as to the average amount of the rates per £ of land values can be given. The rating in shires (rural districts) is low, as these do not require any large revenue. In a very few instances it is only three-quarter pence in the £. In the great majority of shires the rate is 1d. in the £; in a few cases it is between 1d. and up to 2d. in the £.

Financially the shires have shown excellent results on their first year's working, as Mr. Wade, the Premier, said in opening their conference, for although only 23 councils have exceeded the penny rate, 115 out of 117 turned their first annual corner with surpluses, which in 84 cases reached £1000.—*"Sydney Daily Telegraph,"* 22-5-08.

The rating in municipalities is higher, as their requirements of revenue are greater. Most municipalities, moreover, have made use of the change for the purpose of increasing their revenue, which previously was unduly small. At the time of writing, the rate imposed by 181 municipalities out of a total of 190 is known. Of these 12 have imposed a rate of between 1d. and under 2d. in the £ of unimproved value; 39 a rate of between 2d. and under 3d. in the £ 58 a rate of between 3d. and under 4d.; 51 a rate of between 4d. and under 5d.; 12 a rate of between 5d. and under 6d.; 3 a rate of between 6d. and under 7d.; and 6 municipalities have imposed rates of 7d. and over. Of these Wilcannia has imposed a combined rate—general, special and water—of 10d. in the £ of unimproved value; and Hay a combined rate covering general, lighting and water rate, of actually 11¼d. in the £. It is, however, held that in these two, as in many other instances, the unimproved value of the land has been considerably undervalued.

In all the suburban municipalities except one the rates have been placed on the unimproved value alone. The exception is Hunter's Hill, which has placed 2d. on the unimproved and ¼d. on the improved value. The unimproved value of the rateable land within their area is assessed at £25,518,001 and their population is 432,030, given unimproved value per head of population of £59. In 1906, the system of rating on the basis of rental value, the revenue derived from rates was £258,197, or 11 9 shillings per head. This same amount would have been raised by a rate of 2.41 pence in the £ of unimproved values. The revenue which these 40 councils expect to receive from rates in 1908 is £361,280, or 15.2 shillings per head, equal to 3.40 pence in the £ of unimproved values. The aggregate expected increase of revenue by these 40 municipalities is 43.5 per cent.

It seems probable that the total revenue from rating will equal about 25% of the annual unimproved value of the land in New South Wales.

Though it is too early to speak of results generally, it is admitted on all hands that there never was such a scarcity of labour in New South Wales as at

the present time, nor such activity in trades, especially in the building trades. While in the adjoining State of Victoria, having no system of taxing or rating land values, the Government is making frantic efforts to find employment for unemployed workers, the Labour Bureau of New South Wales states officially that there are no unemployed workers in the State. While in Victoria wages have a downward tendency, and have actually been reduced for some workers, in New South Wales they are increasing. For instances, the wages of ploughmen have within the last few months been raised from 15s. to 20s. a week, both with board.

That this increased demand for labour is a direct and inevitable result of the change in the system of rating, may be seen from the facts set out in an editorial article, which appeared in the *Sydney Morning Herald* of May 11th, 1908. It may be stated that the *Morning Herald* is the Conservative morning paper of Sydney, and has always opposed the taxation of the unimproved value of land. Its testimony is all the more convincing, when it admits the following facts:

“Unimproved land value taxation has evidently come to stay. Wherever there are large tracts of unimproved lands in good positions, or where a council in the past has been compelled to rate a property on the annual rental value basis simply because there were some improvements of a minor character, the revenue could under the new system be raised considerably * * * The tax will press very heavily upon some people, while to others it will materially lighten their load of taxation. At Waterloo two dairymen have a lease of 250 acres of land, part of the Cooper Estate. The dairy is on one portion of the land another portion is under cultivation, while the third part is used as an enclosed grazing ground. These dairymen pay an annual ground rental and in former years the council has been obliged to rate the property upon the rental basis, which brought into the municipality a yearly income of about £10. Now this property has been rated upon the unimproved land value basis, and the dairymen's rates have been raised from £10 to £833 a year!* All dairy properties with large areas of land are in a similar position. Racecourses will also suffer. The trustees of the Randwick Racecourse will have their rates raised this year from £400 to £1950. Kensington Racecourse and similar tracks will suffer accordingly. Golf links and poultry farmers will pay heavily. * * *

“The owners of large tracts of land, whether subdivided or not, will have to pay up; for instance, the trustees of the Wentworth Estate at Vaucluse will have their rates raised something like 500 per cent. The trustees of Cooper and every other estate will find this year's rates increased many fold. Buildings and lands belonging to the Government, such as public schools, lighthouses, reservoirs, reserves for military purposes, certain railways and tram-

*Not the dairymen, but the owner will pay the rates; as soon as the lease runs out, if the lessors were foolish enough to undertake payment of all rates; even during the currency of the lease if they were wise enough not to do so. Moreover, the fact is suppressed that this property, situated in a thriving suburb and held for speculative purposes, also paid £200 a year in State Land Value Tax, which is now remitted.

way properties, have all been rated this year for the first time. Industries at Botany and other places where areas of land are required for wool-drying, etc., must be prepared to pay large increases. Glebe and other lands belonging to churches will have increased rates; for instance, glebe land at Randwick, on which the rate hitherto was £12 10s. will now pay £87 10s. a year in rates. The Town Hall itself is not to escape being rated. The hundreds of persons who hold suburban allotments for a rise, and who in the past have paid a few shillings a year in rates, will now have to pay a few pounds for their speculation. The question naturally arises if the councils are not to have a great deal extra revenue under this system. Surely, somebody must be getting off very lightly. The explanation is that the man who has built his cottage upon a piece of land with a small frontage in other than the leading avenues of a municipality, and who, under the old system of rating, paid upon the rental value of his property—which meant that his rates were anything from £1 to 3£ a year—will now be called upon to pay but a few shillings. In other words, he will pay the same amount of rates as his neighbor with an equal frontage who has not built. This means that while the owner of the unoccupied allotment of land in an estate will have his rates raised from 5s. to £1, the man who has built will have his rates reduced from £3 down to £1, and there are thousands of such cases. They are to be found in every municipality.”

These facts, which our Conservative authority terms “revolutionary,” were predicted by the advocates of the change in the system of rating, and are part of the reasons which causes their advocacy of this system.

Similar testimony comes from other parts of the country. For instance, the *Lithgow Mercury*, of May 18th, 1908, reports that the council of this mining and industrial centre has levied a rate on the unimproved value, which will increase its revenue by 50 per cent. Nevertheless, it points out that the mines within the municipal area pay lower rates than under the old system, to the extent of about 30 per cent., that a leading industrial establishment has had its rates reduced from £135 to £36, and that in all the cases in which the houses erected are of much greater value than the land upon which they stand, which is the case with the overwhelming majority of dwelling-houses, the rates payable under the new system are lower than they were under the old, notwithstanding the 50 per cent. increase in the total revenue raised. On the other hand, the *Mercury* has a long list of properties, either public-houses or business blocks in the principal business street, or vacant land, on which much higher rates have to be paid under the new than under the old system.

It is wonderful how many of the men who are working for political reform, got their inspiration from Henry George. “I am for men” George said, and he made men. No matter what the world may decide to do about his Single Tax, some day it will have to acknowledge that Henry George brought into the service of men of more different kinds than any other man of his day.—Lincoln Steffens, in the *March American Magazine*.