

occupy the space that would accommodate both, and continue to respect him who uses his superior brain-power to gain an advantage over his less astute brethren in the economic field. If our aesthetic sense revolts at the greed of a child who appropriates by force a larger share of a limited luxury than he can use, it will equally despise the child of a larger growth who clutches and holds more of nature's bounties than he can wisely employ. When that vision arrives which only comes with the sensitiveness to beauty, the essential difference between service and dis-service, between working and stealing, will be revealed. We shall no longer respect the man whose wealth is not an exact reflex of the value of his service to the world. When the Beautiful is restored to its rightful place with the Good and the True among our scale of value-standards, it may be regarded as an unseemly and disreputable thing when we see men appropriating to private uses those forms of wealth which obviously belong rightfully to society. In short, with the aesthetic faculties in full operation, we may come to recognize no essential difference between a man wallowing in unearned wealth, and a pig wallowing in mud; and when Dame Fashion approves the judgment of the aesthetic sense as she is likely ultimately to do, the doom of "bad form" may be pronounced on swollen fortunes as it is now on ostentation in jewelry. Under pressure of a public opinion of this kind, how much more easily conditions of economic justice may be made to prevail. The main part of the opposition at present offered to the Single Tax movement will probably disappear when Millionaires find themselves ostracised as vulgarities and offences to our most delicate and refined sensibilities. And so, at last, through the aid of that final culture of the spirit which we call the aesthetic sense, we may have Beauty for ashes, the oil of joy for mourning, and the garment of praise for the spirit of heaviness.

NEW SOUTH WALES

A STORY OF ENDEAVOR AND PROGRESS

(For the Review.)

By A. G. HUIE

Some years ago I assured the late Joseph Fels that there was no part of the world where effort to further the Single Tax cause could be put forward with greater advantage than in New South Wales. The progress that we are making is substantial. It is not of course all that we desire, but when we compare it with what is being accomplished elsewhere there appears to be reason to feel thankful and take courage. There is every prospect of a substantial step in advance this year. Before these notes reach the hands of the readers of the REVIEW we expect that the City Council of Sidney will have finally

adopted rating on the value of land only as the sole means of imposing local taxation.

Some account of how this advance has been made may be of interest. For years we have endeavored to get the aldermen of the City Council to rate on land values only, but without success. We talked to them, reasoned with them, and exhorted some of them to stand by the promises they had made to the electors, but all in vain. In both 1914 and 1915 the proposal was defeated by a majority of two votes. There was only one resource left and that was to make a strong direct appeal to the electors. In making such an effort a certain amount of discretion was necessary. There are many who favor local taxation on land values, who say that they are not Single Taxers. Others again are not free traders. So we formed a sort of Subsidiary League called the "Unimproved Land Values Rating League." It had one object only in view—local taxation on land values in the City of Sydney.

The first step was to raise money to defray expenses, the second to circulate printed matter, the third to arrange public meetings, and the last to place a list of candidates before the public who were in favor of our reform. We did all these things and took other steps as well. The result was most satisfactory. The Sydney City Council consists of 26 aldermen. In the old Council we had eleven definite supporters. Two or three of the remainder had been elected to support reform but deserted. In the new Council elected on the 1st December, fifteen of the aldermen are pledged to the reform, so that we have a majority of four. The new Lord Mayor is a supporter of the principle.

Some of our men who were unsuccessful put up a splendid fight. I was in the contest myself as one of the candidates, but of course was not elected. It was scarcely possible for me to win as I was in a very conservative ward. The moral effect of the straight-out challenge in this ward however, was good. We disregarded all party cries and issues. We paid special attention to the ward represented by the late Lord Mayor. He was defeated by nine votes. The chairman of the Finance Committee in the old Council was also defeated. But for our campaign both these gentlemen, would, in all probability, have been re-elected. The whole course of City Government has been altered.

The new Lord Mayor lost no time in getting to business. He submitted a minute to the Council, which was referred to the Finance Committee. It is now before that body. The rate will probably be struck early in April. The Minutes concludes as follows: "I therefore recommend that the matter be referred to the Finance Committee, with instructions when submitting the estimates for the current year to provide for levying the whole of the rate required on the unimproved capital value as being the most equitable system in the interests of the City generally, which can be adopted."

Early in the year Municipal and Shire Councils outside the city prepare and notify their estimates for the year. As I have previously pointed out the system of rating is largely optional. A council must impose not less than one

penny in the pound upon the capital value of the land. It may, in municipalities but not in shires, get all the rest of its rate or tax revenue from improved values, that is, the capital value of land and improvements taken together. Of course if a council makes such a proposal the ratepayers may demand a poll and settle it over the heads of the aldermen. The fact that land value taxation for raising local revenue is almost universal shows the hold which the idea has upon the public mind.

I make a point of collecting a number of particulars of local rates when the notices appear, to publish in our local paper *The Standard*. Outside the City of Sydney there are 321 local governing areas. Here are the particulars for 121 councils. The land values are assessed at £ 69,693,949. The average rate imposed is 2s. 4d. to raise £ 825,169. The rate may appear low, but that is due to the number of rural areas included where the maximum rate permitted by law is 2d, while a number do not exceed 1d. Councils may, however, impose local rates in addition.

Of the above list of Councils 111 impose their rates entirely on land values. The remaining ten have, in addition to imposing rates amounting to £ 25,841 on unimproved land values, imposed additional and local rates on the improved value to raise £ 11,437. As the improved value includes the land value probably not more than £ 7,500 will be actually imposed on improvements. The reasons for these Councils rating to a small extent on improved values are not sound, but those localities seem short of one or two local active spirits to take the matter up and insist upon land value taxation only. But even apart from aggressive action for reform of that character the system of taxing industry locally is dying out.

I do not understand how it is that such great efforts have to be made in the United States and even in New Zealand to get the local people to vote at a poll, for taxation of land values for raising revenue for local services. Such polls elsewhere are often decided against reform, but never in New South Wales. Our polls are always won. Where Councils desire to borrow money they have to consult the ratepayers. The proposal itself may be defeated, but the second question to decide the basis of rating for interest and sinking fund is always carried in favor of rating on unimproved values only. Here is the latest example. The Ku-ring-gai Shire Council proposed a local rate for a public work in "C" riding. It was decided at a poll and defeated by a majority of 193 votes. The poll on the second question to decide the basis of the rate, if the proposal were adopted, was carried in favor of rating on land values by a majority of 205 votes.

The Land Valuation Bill is still before the State Parliament. Our local "House of Lords"—the Legislative Council, objects to a couple of sections. At the present time each municipal and shire Council makes its own assessment of the "unimproved" value of land, the "unimproved value" and the assessed "annual value" of all ratable property with this exception, that a large majority

of the Shire Councils assess the unimproved value of land only. Valuations of land are constantly being made for resumptions by the Crown, for advances to settlers, etc., for probates and various other purposes. The Land Valuation Bill provides for one State valuation of land for all public purposes. Owners of land desire as low a valuation as possible for taxation, they desire as high a price as possible in case of State resumption in connection with public works or for purposes of settlement. The scheme of the Bill is to balance these two conflicting desires and so arrive at a fair average selling value as the value for all purposes. The Legislative Council in which the landed interest is very strongly represented objects to the public valuation being used in cases of resumption. It wants landowners to retain power to demand extortionate prices for land with the usual slow and expensive Court or Arbitration procedure to support them. This Bill is of much importance, but its fate is somewhat uncertain. It may be passed if deprived of one of its leading features but the Government is loth to agree to such mutilation.

While the Land Valuation Bill is a great improvement upon existing methods it is by no means free from fault. I have long held the opinion that assessing the selling value of land for taxation purposes is unreliable. It cannot give a true valuation. The owner is only able to capitalize and sell his interest in a piece of land. Such a capital sum is arrived at by capitalizing an actual or assessed yearly value or rent. If the land is unencumbered and not subject to a tax upon its value the owner can get the maximum value which the market will give. In assessing a property for taxation on the unimproved value we exclude the value of improvements. It will be obvious that when a tax is imposed upon the value of the land that the selling value of the owner's interest is reduced by the capitalized value of the tax. Instead of the owner enjoying the whole value of the land he has now to share it with the community. The selling value therefore ceases to be the real unimproved value when a tax is imposed. The question is a complicated one. In order to meet this difficulty we made strong representations to the Government that in assessing the value of land the effect of the tax, say on a five per cent basis, should be excluded in the same way as the value of improvements is excluded, but without result.

Land values have enormous power to carry taxation; while the tax imposed is small, an assessment which is not full may not do much harm. But our object is to secure the whole yearly value of land for public purposes. A small tax is only a small step in the right direction. If it is imposed in a way that raises a difficulty it will make the next step harder to take. When the rent of land goes into the public treasury land will have no selling value. Men will only sell their improvements. The buyer will take over the responsibility of paying the taxation. As we proceed to make substantial headway in taxing land values the selling price will be quite useless as a basis for taxation. Land value apart from the excess value due to monopoly or speculation, is indestructible. All that we can do is to decide whether private individuals or the State shall get it.

There are several objects which we must set out to attain in the future. The water and sewerage systems in the Sydney Metropolitan area and in the Hunter River district, which includes the City of Newcastle, are controlled by water boards. The largest source of revenue of these boards is a rate which is struck upon the assessed annual value of property. One of our efforts in the near future must be to secure an alteration in the basis of the rate for water and sewerage. In a number of country towns the water rate is now on land values. There is no reason why the old system of taxing improvements should continue anywhere. Some time ago I got particulars of all the properties fronting the water boards mains in five adjoining suburban municipalities. I found that the average cost of the service was nearly six times as much to a householder as to an owner of a vacant lot. In those municipalities there are over fifty miles of frontage to the water mains unbuilt upon. The capital cost of the system is excessive because of the amount of vacant land served which of course is enhanced in value by the public expenditure in providing a water supply. Water supply is a local service. Imposing a rate for it on the use of land has all the vicious features of similar rates for other local services. I think that the latent public feeling for reform in the rating system for water supply and sewerage only needs proper working up to be effective in securing a change.

The problem of land for returned soldiers is with us. Political busybodies are fussing about with futile expedients. Apart from us no one has courage to go to the root of the evil—the monopoly of land. Although our system of local taxation on land values has done much good still the profits of land monopoly are very large.

There is plenty of land in N. S. W. In fact we have more than $2\frac{1}{2}$ times the area of the British Isles and fewer than two millions of people. In spite of that there is a serious shortage of good available land for settlers, immigrants, and returned soldiers. If we could only induce parliament to devise a means of requiring owners of land to confine their attention to the amount of land they were able to use effectively there would be plenty of good land for all. In fact more general use of land will be our only resource when the war is over, and we will be crippled to the extent that we are compelled to "pay ransom" to the owner. We have a scheme, a good practical working scheme. The Government spent over seventy millions on railways and tramways to open up the country—mostly borrowed money. Interest on that large sum is a charge or tax upon the traffic. Constructing the lines has enormously increased the value of land. Therefore we say that the interest on cost should be a charge upon the value of land instead of upon the traffic. Such a charge would allow of at least a twenty per cent reduction in freights and fares, while it would force idle land into use and partly used land into full use. Many branch lines do not pay at present, but under such a system would pay handsomely.

Finally there is a question of free trade. The local champions of special

privilege are trading upon the race hatred engendered by the war. In this way they are seeking a higher tariff. That would mean adding to our already excessive cost of living. It is not really trade with Germany after the war that they want to prevent, but with all countries, especially the United Kingdom. A more greedy, heartless and unprincipled lot of political scoundrels than our "protected" manufacturing capitalists could not be found anywhere. These people know no political "truce." They are out to rob the people, not in manner of their prototypes of other ages as highwaymen, but in a more insidious and injurious way with the aid of the law. These people are temporarily reinforced from time to time by specimens of the globe trotting nuisance such as Ashmead Bartlett, who is here at present. I have had occasion to strongly remonstrate with that gentleman upon the subject. Protection is immoral, war or no war. When peace comes let us put away the causes which make for war, amongst which a protective tariff is one of the most malignant.

THE PEACE OF PRIVILEGE—AND WAR, ITS RETRIBUTION

(For the Review)

By ROBERT S. BENNETT

A few years ago world peace was said by many to be imminent. It was to be initiated through educational propaganda in which the merits of peace were to be extolled, and the horrors of war portrayed; it was to be maintained through organization.

There was no doubt a sincere desire for peace. Privilege was to be kept upon its throne. This could be done only through peace. It was known that war shakes some things down, and other things up. The peaks of privilege could not stand amidst the quakings of war; they would topple into the abysses of misery below. The peaks were to stand, the chasms to remain: more, the first were to grow higher, the latter to become deeper and more dark; while a veil of philanthropy was to be spread about to confound the judgments of men. The peak and the chasm are concomitants one of the other; the brilliance of the height is enhanced by the darkness of the gulf below.

All this could be maintained through peace. Accepting a strong desire as a sure promise of the future, it was thought not inconsistent to cultivate war and at the same time prepare for a harvest of peace.

The dogs of war were held in leash; petted and pampered, they were the assurance of peace. Justice and righteousness were to be trusted not in fact, but only in word.

Thus it was natural that war should come when peace was most predicted. And, whenever there is as great anxiety for the causes of war to continue, as for war itself to cease, we may know that desire has supplanted reason. Though