

proved value, and half penny extra above £5,000. Absentee 20 per cent. on total and these are at present in force.

Still another Act dealing with unimproved land values has been before the S. A. Legislature the last few years, viz., The Progressive Land Tax, framed on the lines of that of New Zealand. In lieu of the former additional tax this sought to impose an extra ½d in the £ from £5,000 to £10,000 (inclusive), 1d from £10,000 to £15,000, 1½d up to £25,000, 2d to £50,000, 2½d to £100,000 and 3d over that amount. The Absentee Tax was also proportionately increased. The avowed purpose of this measure was to break up the big estates, but as readers of Mr. P. J. O'Regan's article on "The Real Truth regarding Land Taxation in New Zealand," published some time ago in the SINGLE TAX REVIEW, well know, it provokes fraud and evasion with their consequent loss of revenue in the Dominion and would produce like results in the Commonwealth. That the present taxes on land values are not heavy enough to deter land speculation is proved by the prevalent gamble in many parts of the State. By the introduction of fertilisers, thereby rendering it profitable to work land hitherto considered valueless, the opening up of large tracts in the back country, and also the recent prosperous cycle of seasons experienced here—these have combined to force up the price of land to such an extent that selections which a few years ago were offered for a few shillings are now sold for pounds per acre. Owing to the small instalment of the all-round tax on Georgian lines little or no appreciable change is traceable to it, but Single Taxers hail it with satisfaction as an acknowledgment of the principle of the true basis of taxation. The tax, however, is too small to be seriously felt, and does not compel the vacant holder to utilize his land as a larger impost would do. It is, nevertheless, viewed with satisfaction by Single Taxers as the first instalment of the Georgian principle on the Statute Book and is unmarred by the exemptions or gradations which nullify the more recent Acts dealing with land values taxation in South Australia.

EMILY WILLIAMS.

ADELAIDE, S. Aus.

## NEW SOUTH WALES.

J. W. BENGOUGH LECTURING HERE—LAND OWNERS VOTE TO EXEMPT IMPROVEMENTS—THE LABOR PARTY FOR A GRADUATED LAND TAX—SHOULD BE WARNED BY THE EXAMPLE OF NEW ZEALAND.

A notable Single Taxer, who is well known to your readers, is now in this State. Mr. J. W. Bengough is at present touring New South Wales, and entertaining audiences in his professional capacity. He is to visit the other States later on. He arrived quietly and we did not know anything about it until he was here. Arrangements were made by circular for Single Taxers to meet Mr. and Mrs. Bengough. About 100 were present and had the pleasure of listening to an excellent address. But we were not satisfied with that. We squared the manager and got the company for a night. The musical parts were reduced to a minimum, so that Mr. Bengough would have as much time as possible to expound the "George Philosophy." We gathered about 600 people, and it was a success in every way, including the financial side of it.

Our system of government is tripartite. We have municipal and shire councils, for towns and rural districts respectively, a State Government in each of the six States and a Federal Government for the whole Commonwealth. Our great success has been achieved in the sphere of local government. In both States and Commonwealth there is much to do. The outlook is by no means promising but for one thing. The land question is attracting an increasing amount of attention. But before I make a brief reference to State and Federal matters I wish to say a little about an interesting and important matter.

When we were agitating for power for the local authorities to rate land values some of us held that raising revenue in that way should be compulsory. Others thought that it should be made optional, as that would be a more effective way of educating people as to the meaning of land value taxation. I belonged to the former section. I wanted it fixed up once for all. Sir Joseph Carruthers agreed with this view

as far as rural government was concerned. But in the municipalities the optional principle was adopted after providing that councils should first impose not less than one penny in the pound on unimproved land values. The Single Taxers held that where a poll was taken, as to the incidence of the rate, all local electors should have the right to vote, and we wanted the right to vote to be on an adult suffrage basis. We thought it most important that the landless should have the right to vote. However, the right to vote was restricted to owners and occupiers.

Again we held that at a poll, all those on the roll, whether owners or tenants, should have the right to vote. We thought that the right to vote for the tenant would be an important factor in our favor. Sir Joseph Carruthers, however, held that the right to vote at a poll should be confined to the landowners, and that way was adopted. Here is a complete list of all the polls yet taken. Every vote represents a land owner. The biggest landowner has but one vote, just the same as the humblest cottager. Some of the figures given have already appeared in your columns in an article by the late Max Hirsch. I want, however, to show that the system of rating land values only is popular with landowners. So much has been made of the plea that the landless were seeking to establish land value taxation from purely selfish motives that it is rather surprising to learn, that on a straight out vote on the issue, their votes are not required to carry the day. All the polls have resulted in our favor. Widely different conditions prevail in these various centres of population, but they agree that their homes, shops, factories and other improvements should be free of taxation. "I. V." means improved value. "A. G." means additional general.

	I. V. rate proposed.	For.	Against.	Ma- jority.
Alexandria....	1d A. G.	50	221	171
Waverley.....	¾d A. G.	333	413	80
Woollahra....	¼d A. G.	171	271	100
Mosman.....	1d A. G.	84	388	304
Randwick....	¾d A. G.	248	322	74
Broken Hill...	—	266	421	155
Liverpool.....	1¾d A. G.	20	169	149
Wickham.....	¼d A. G.	39	222	183
Blayney.....	1d Water	17	30	13

East Maitland.	1d A. G.	84	88	4
East Maitland.	¾d Lighting	72	84	12
Casino.....	— A. G.	23	101	78
Singleton.....	¾d A. G.	14	54	40
Singleton.....	¼d Lighting	16	52	36
Portland.....	2d Local.	7	98	91
Grafton.....	—	51	90	39
Wollongong...	—	17	131	114
Uralla.....	1d Lighting	6	37	31
		1,518	3,192	1,674

At these 18 polls the total majority exceeds the total votes cast against land values rating.

The moral effect of all these successful polls confined strictly to land owners has been very great. The knowledge that the ratepayers should take the matter out of the hands of the local council has brought many a reactionary alderman to his senses. When you come to think over the reasons for the action of a large majority of landowners in favoring land value taxation, the result is logical. The majority own land for use, not speculation. Rating on land values means lower rates for them. It is a clear case to them of financial gain, without infringing any moral principle. It is not easy to get people to see that standing for true principles is really a sound business move. It is really a very small minority who profit from injustice. The men who own land pay more attention to legislation affecting it, than the landless. I have met many of the latter who would not vote for rating on unimproved values. Although disinherited, without the right to live, until toll is paid to a fellow man, they blunder along. While I think it would be well for all electors to have the right to vote whether rates should be on land values or not, still our experience is that it is not necessary. The owners of land themselves will settle the matter in the right way if they have the power. Probably it will be found much easier to get power for landowners to decide how they shall be taxed than to secure that power for all who have the right to vote when electing aldermen.

In State politics, the Single Taxers now seek to tax land values to pay the interest on the cost of constructing railways and tramways. Our railways are built and operated by the State. This is the plan adopted. After agitation extending over

some years, and due inquiry, it is decided to build a railway from A. to B. It is necessary to charge rates for passengers and goods to cover both the cost of working and the interest on the money borrowed on the credit of the State, to build the line. In many cases new lines do not pay for years. Roughly speaking, building the line has doubled the value of the land it serves. This increased value is a free gift to the landowners. We say that the interest on the cost of construction should be met by a tax on land values. That would enable railway charges to be reduced by one third. Just like the municipal rating it would be a boon to the land-user, and an additional inducement to the land speculator to get out of the way. The political parties so far are fighting shy of it. They won't discuss it. Apparently they know that to discuss it will be to help the cause along.

For a few months we have had a Federal Labor Government in office. It was defeated a few days ago and we have a coalition Government on the basis of maintaining the excessive Customs taxes at present levels. To all appearances Free Trade is at a low ebb. In the main the Labor Party is protectionist, and to my way of thinking the time is opportune for a new party with free trade on Georgian lines as the leading plank of the platform. The Labor Party being largely a protectionist party will not reduce Customs taxes, but it realizes that land monopoly should be dealt with, so it proposes what it calls a graduated tax. Land values up to £5,000, would be exempt. From £5,000 to £10,000 the tax is to be one penny in the pound and then it goes on increasing in  $\frac{1}{2}$ d jumps to 4d in the pound on estates valued at £50,000 and upwards. The avowed object is not revenue, but to force a subdivision of the great estates.

Most of your readers will realize at once that such a scheme is unsound and calculated to defeat the very object its promoters profess to be so anxious to attain. Land value arises because of the presence of the people, whether the area is worth fifty pounds, or half a million.

A graduated tax is not aimed at land monopoly as a matter of principle, but is a

clumsy attempt to deal with some land monopolists. Probably there is more land actually idle in areas worth less than £5,000 than above it. The large estate owners in this country are mostly land users. The trouble is that they are content to use land for grazing purposes when it should be cultivated by scores of prosperous farmers. But it produces something while monopolists up to £5,000 often produce nothing from the land. Then, experience in New Zealand has shown that a graduated tax induces land owners to make bogus subdivisions so as to escape it, or to pay at a lower rate. While a good deal can be said against this proposal the fact that a Federal Government has proposed to tax land values is of much significance. We must not be too ready to find fault, but rather strive to secure alterations so that its incidence will be more equitable. That Government has gone out of office, but all through Australia the necessity for taxing land values is daily becoming more evident. We have a great territory of over 3,000,000 square miles and a small population of under 5,000,000. There is a persistent cry for immigrants. The lion in the way is land monopoly. There is no room for people on rich lands well served by railways and rivers, because those who got here first grabbed the land and their successors are content to keep sheep. Our system of local rating on land values in N. S. W. is doing a vast amount of good, but all that the local authorities require in the way of revenue represents but a small proportion of the land rent, which if taken for public needs would be ample for all governmental requirements.

A. G. HUIE.

SYDNEY, N. S. W.

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It is unfortunate that there is a serious mistake in Mr. Huie's contribution to the March-April number of the REVIEW. Pages 3 and 4 of the copy were transposed, producing a result that it would be difficult to describe. For the reader who cares to look at it again, when he reaches line 47 first column on page 58 at the word "the" move on to the word "occupier" in line 26 in the second column of the same page, so that it reads "a charge upon the occupier." When the word "came" is reached in the third line of the first column on page 59 go back and take in the omitted portion.