

INTERNATIONAL NEWS

THE INTERNATIONAL UNION FOR LAND VALUE TAXATION AND FREE TRADE, 94 Petty France, London, S.W.1. President: Hon. Charles O'Connor Hennessy. Treasurer: Ashley Mitchell. Secretaries: A. W. Madsen and F. C. R. Douglas.

The Objects of the Union are: To stimulate in all countries a public opinion favourable to permanent peace and prosperity for all peoples through the progressive removal of the basic economic causes of poverty and war, as these causes are demonstrated in the writings of Henry George. Specifically, towards the realization of these objects, the Union favours the raising of public revenues by taxes and rates upon the value of land apart from improvements in order to secure the economic rent for the community and the abolition of taxes, tariffs, or imposts of every sort that interfere with the free production and exchange of wealth.

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NEW ZEALAND

Deputation to the Government—
Sympathetic Reply

A flat tax on land and a mandatory system of rating on unimproved value were two matters urged upon the Prime Minister (the Hon M. J. Savage) as essential to the welfare of the Dominion, by a deputation of nearly 40 strong from the New Zealand Land Values League, that waited on him on 19th March. The deputation, which was introduced by Mr R. McKeen, M.P., also asked that statistics showing the working of the land tax should be made public, and that the provision in the Municipal Corporations Act whereby profits from local body trading departments can be applied to reduction of rates should be repealed.

The Prime Minister was attended by the Minister of Finance (the Hon W. Nash), the Minister of Internal Affairs (the Hon W. E. Parry), the Minister of Lands (the Hon F. Langstone), and the Minister of Industries and Commerce (the Hon. D. G. Sullivan).

The Prime Minister gave a sympathetic reply to the deputation's requests, and assured them that they could safely leave the matters concerned in the hands of the Government.

THE CASE STATED

Mr P. J. O'Regan said that although the New Zealand Land Values League was a non-political body he could extend the congratulations of every member to the Government on attaining office. There was no mystery about the representations they desired to make—there was no A plus B theory about the league. The severest indictment of the last Government was to be found in the last Budget which revealed that land tax produced the insignificant sum of £470,000. For years there had been a continuous policy in operation to vitiate the land tax. The deputation asked that at reasonable intervals there should be made available proper statistics showing the working of the land tax in New Zealand. If they had such statistics available they would be able to reply to misrepresentations of the true position. For instance, it was a falsehood to say that the land tax was a tax on farmers. At present land tax fell mainly on city and suburban property. What the deputation asked for was that there should be a flat land tax without exemption and without graduation. The argument that was used for a graduated land tax was that it would break up large estates, but the tax fell on city and suburban properties which could not be subdivided.

It was preposterous to say that the repeal of the graduated land tax helped the farmers. Actually the people relieved by the repeal of the graduated land tax were the banks, the insurance companies, shipping companies, and other big concerns.

RATING SYSTEM

The deputation also asked, said Mr O'Regan, that the system of rating on the unimproved value should be made mandatory. Eighty out of a hundred and twenty boroughs in New Zealand had adopted the unimproved value system and 56 out of 122 counties had done the same. There were only three cases in which polls had failed, and that was in spite of the existing system of plural voting, which, he hoped, would be repealed during the coming session. They also asked for the repeal of that section of the Municipal Corporations Act which made it possible for boroughs to relieve the ratepayers by transferring the profits of trading concerns to the general account. That simply amounted to legalized dishonesty and really meant that a dividend was paid to the richest men in the city at the expense of the people who paid rent.

Mr A. Parlane and Mr G. M. Fowlds also spoke on behalf of the deputation, putting other aspects of the case.

MINISTERS' REPLIES

The Minister of Finance gave his assurance that whatever figures were required, and could be obtained by his staff, in relation to all forms of taxation and land tenure and occupation, would be obtained at the earliest moment, and publicity given to them. (Applause.) Regarding land tax in general, Mr Nash said that he would be going into every avenue from which money could be legitimately obtained. "I cannot say until the matter has been considered what will be done in regard to land taxation," he said. "That avenue will obviously be explored, as it is one that may lead to fruitful fields at a later date."

Commenting on the sales tax, Mr Nash pointed out that before the Government could profitably throw off one form of taxation, it would have to see that the revenue that was necessary to run the country was available from other sources. The Prime Minister had already said what he would do in regard to the sales tax.

Mr Parry (Minister of Internal Affairs), said he had been very interested in the case that had been stated by Mr O'Regan, and there was no doubt that a very strong case could be made out for what the deputation had asked. He was particularly concerned at the moment about the local body problem, and in his view any regional system that might be adopted would have to have as its basis a uniform rating system.

Remarking that the matters raised by the deputation did not directly affect his Departments, Mr Sullivan (Minister of Industries and Commerce) said he thought there was a great deal to be said for the request that rating on the unimproved value should be mandatory.

GOVERNMENT'S DUTY

The Minister of Lands said that they realized that the land tax was an annual tax and could be changed at any time, and it was, therefore, quite competent for Parliament to give expression to its ideas regarding land and income tax. He had followed with great interest the way in which people dodged taxation. No one liked to pay taxes; they were all dodgers. The great bulk of the value in land was held in the cities—there was about seven-sixteenths in the cities, towns, and boroughs, and nine-sixteenths in the rest of New Zealand. The duty of the Government was to collect that which rightly belonged to the State and preserve all the time to the individual that which rightly belonged to the individual. The Government had given much attention to the incidence of land and income tax. "We will do our best," said Mr Langstone. "We are taking our fences as we come to them, and every step will be towards our goal—social justice and the betterment of the people. Our efforts will not be used to relieve the wealthy landowner in the city. Everything will be done

in the interests of the people so that they will have a just system of taxation."

PRIME MINISTER'S PLEDGE

The Prime Minister congratulated the deputation on the manner in which it had stated its case. He did not think anybody could get away from the fact that the land was the common property of all men; the proposition was unanswerable. He agreed that all available information should be made public, as whatever befell it was essential that they should have the truth. So far as the use of the profits of municipal trading departments was concerned, Mr Savage said that no one would waste time arguing about that, because the case made out by the deputation was unanswerable. There was much more to be considered besides the securing of revenue. It was just as well for them to realize that at the very beginning. Revenue, of course, was very handy for the Minister of Finance, but it was not the only consideration.

What the Government was concerned about, and what the people wanted, was a more equitable distribution of production. The Government stood for industrial development, but under the present state of things there would be greater benefit to the land speculator than anybody else. When they were talking to the factory proprietor about increasing wages and shortening hours they had to see to it that the benefit did not go to the landlord.

Mr Savage said he would not like to argue with a Henry George man against the proposition that had been put forward regarding the land tax. At the same time he would remind Mr O'Regan that the Government had inherited many of the sins of the past. In dealing with taxation and development generally they had to make sure that they were not going to benefit the speculator alone.

"The day of the speculator has gone," declared Mr Savage. "The day of the producer and the person who gives the services is here. Our job is to see that those who give the services are going to get the benefit. I feel that we will have your co-operation in doing that." (Applause.)

The Government was out to lay the foundation of prosperity in New Zealand, he continued. It was no use relieving the farmer of a tax he had never paid and substituting a number of other taxes which he did pay. He had heard Prime Ministers in the past say that the land tax was being reduced to help the struggling farmer, but the day had gone when the people were to be fooled in that way. They abolished a tax which did not affect the farmer and substituted another—the sales tax, for instance. The members of the Government had burned the midnight oil in studying such problems as had been dealt with by the deputation, and they would use their intelligence in reaching a solution of their difficulties. The land tax was certainly a more equitable form of raising revenue than the sales tax. The big man probably paid land tax—not nearly enough—but the little man paid none at all. He assured the deputation that they could safely leave the matter in the hands of the Government.

SOUTH AUSTRALIA

This is the centenary year of the foundation of South Australia. Some reference was made to its early history in our February issue (p. 29), and we are glad to supplement this from a remarkable article by Mr E. J. Craigie, M.P., which appeared in *The Mail*, Adelaide (11th April). In 1835 the Secretary of State for the Colonies had appointed Mr George Fife Angas and other gentlemen as Colonization Commissioners. They were to secure sufficient funds for the purpose of founding and governing the colony by the sale of land, and the price was fixed at 20s. an acre, in lots comprising 80 country acres and one town acre. Difficulty was met with in finding purchasers and the project languished. Eventually a joint stock company was formed by Mr Angas and others who purchased sufficient land from the Commissioners but at the reduced price of 12s. per acre. The purchasers of the first 437 lots were given priority of choice and were apparently able to purchase at the rate of 12s. an acre, the remaining town lots being sold in 1837 by public auction at prices ranging from £2 2s. to £14 14s. The Governor of the new colony

had landed on 28th December, 1836, and the auction was held in March, 1837.

Including the land comprised in the preliminary land orders the whole 1,000 acres of Adelaide was sold for £3,856 8s.

The assessed unimproved value of the same land to-day is £11,783,174.

The history of individual sites is even more remarkable. The most valuable acre in Adelaide is at the south corner of Rundle and King William Streets. It was bought in 1837 for 12s. and is now valued at £265,880 apart from the improvements. Acre No. 37 was bought by Mr John Batley Thorngate of Gosport, Hampshire, for 12s. It is now valued at £48,130, and in the meantime the purchaser and his heirs have drawn in rent from it £39,575. This particular purchaser acquired four of the preliminary land orders which entitled him to four acres in Adelaide and 536 acres of country land. "A search through the books in the land titles office made some time ago revealed that this estate for the small expenditure of £324 had been able to take approximately £700,000 out of South Australia in the form of rent and payments received from sale of portion of the land, and then had approximately £200,000 of land values standing in the name of its owners." The increase in value is, of course, due to nothing that the owners have done, and they may never even have set foot in Australia.

By a somewhat ironic chance an advertisement of the Adelaide Development Co. Ltd. appears at the foot of Mr Craigie's article. It says: "There is a saying: 'Get a good piece of Real Estate, buy it wisely, pay for it, keep it, and it will keep you.' There is wonderful sense in the above advice. You only have to take a note of the richest families in the State and you can see that wealth has come to them mainly through the rise in real estate property, particularly in the City of Adelaide."

CANADA

Milk River in Alberta derives the whole of its tax-revenue by land value taxation, buildings and other improvements being entirely exempt. Mayor of the town is Mr Fred Pease and prominent upholders of the land value policy are the Messrs Ellert who attended the Henry George Congress in New York last autumn. There was a mayoral election in Milk River on 11th March and opponents of the land values system did their best to prevent the return of Mr Fred Pease. In reply to the petition they presented for a change, it was pointed out that for every \$1 the smaller ratepayers would gain in reduced land value tax, others would gain \$20, while the smaller ratepayers would lose heavily by throwing taxes upon buildings and improvements; that land prices would be increased for those who wish to build homes, that rents would be raised against those who do not own homes; the local Treasury would also lose, causing a cessation of public improvements. The sentiment for land value taxation won, Mayor Pease being returned by a three to one margin over his opponent.

Station CJOC, Lethbridge, Alberta, gives a weekly broadcast every Wednesday evening from 8 to 8.15. Students of Mr J. B. Ellert's economic class speak on this programme.

In Toronto a Teacher Training Class of "graduate students" of the Henry George School of Social Science has been formed. It will meet for nine weeks every Thursday at 30 Classic Avenue, 8 p.m., and review *Progress and Poverty* with a different graduate in charge of the lesson each week. Every Thursday at 1 p.m. members of the Single Tax Association meet for lunch and discussion at the Lora Martha Tea Rooms, 90 King Street West. Visitors should ask for the Single Tax private room. Another weekly discussion group, with Mr Cadwell as chairman, meets at 8 p.m. on Tuesdays, at 69 Bloor Street East. Each evening some particular topic is presented and discussed, and active committees have been formed to work for land value taxation in a number of different ways—training and supplying speakers, organizing articles and letters for the press, studying other reform movements, and attending meetings of various political and religious organizations.