

to get in the first blow; in other words, the Unionists must prepare a scheme of reform and begin a campaign at once. If this is not done, I warn the Unionist leaders that they stand in great danger of losing their chance of coming back to power after the next General Election."—*"A Unionist Working Man"* in the *LAND UNION JOURNAL* (the organ of the Landlord Party), August.

The Land Union and the United Committee.

The Government's attempt to repudiate officially the Single Tax must mislead nobody. Let us consider a few facts. There exists in this country an organisation called The United Committee for the Taxation of Land Values. This body centralises the work of a number of semi-independent land value leagues throughout the country. The chief of these leagues is known as the English League. It has its headquarters in London, and numbers amongst its members many of the advocates of Land Taxation in the House of Commons. Forty-eight members of this League were candidates at the General Election in January, 1911. Of these 38 were successful. The president of the League, two of its past presidents, and four of its vice-presidents are in the House of Commons. A large number of the 172 members who signed the Land Tax Memorial to the Prime Minister are members of the English League.

The United Committee is frankly and openly in favour of the Single Tax without reservation. By the Single Tax is meant the full policy of Henry George—the placing upon land alone of the whole of the Imperial taxes and the whole of the local rates, the confiscation of land values under the cloak of taxation. In their annual report for 1910-11 the Committee states: "Our strength within Parliament has grown, not only in numbers, but is shown by the much increased influence of our supporters in the debates and discussions. Evidence of this was shown during the debates on the Address, when the Conservatives raised a two nights' discussion on the Taxation of Land Values. The fullest advantage was taken of this opportunity by one member after another to make Single Tax speeches, to defend Henry George and his philosophy.

One of the foremost champions of the cause of the United Committee for the Taxation of Land Values is the talented Lord Advocate for Scotland, the Rt. Hon. Alexander Ure. At Dollis Hill, on September 24th, 1910, Mr. Ure made a brilliant speech in favour of land values taxation. Mr. Ure also gave his support to the Glasgow Conference held last September to promote the Taxation of Land Values. This Conference was held under the auspices of the United Committee. The Single Tax was frankly advocated by the majority of the speakers, and a full Single Tax resolution, proposed by that stalwart supporter of the Single Tax, Mr. Joseph Fels, was carried practically unanimously. If anyone has the slightest doubt that the Conference was wholeheartedly in favour of pressing on to the full and complete adoption of an absolute Single Tax on land, they should read the report of the proceedings in *LAND VALUES* for October, 1911.

To those who know something of the literature which the United Committee showers over the country, it is, of course, unnecessary to point out that it is frankly and openly for the complete Single Tax. If this general literature of the United Committee were not in itself proof of the Single Tax goal of the so-called House of Commons Land Group, we have the matter quite definitely set out in the "Statement of Principles," issued by the General Secretary of the English League. "Since Land Values," he says, "are the outcome of the presence and energy of the community; by taking them we should be securing for public use what is essentially a public fund."

Now, in face of this evidence, how is it possible to reconcile with truth the anxious public repudiations of the Single Tax on the part of those who are working day and night for its adoption? The Prime Minister, the Chancellor of the Exchequer, Lord Haldane, Mr. Ure, on their behalf, outvie one another in their attempts to shake off the horrid name. But the name will stick, for it is the true name. They are Single Taxers, all of them, the whole one hundred and seventy-two of them, and the country will not be misled by the denials of their Parliamentary chiefs. Mr. Hemmerde has explained the situation very candidly. He has told his friends not to talk too much about the Single Tax in case it should be too strong meat for the stomachs of the uninitiated. By all means let all those who are in the secret know that the Single Tax is your goal, but don't make too much noise

about it. That is the gist of his advice. We may therefore take the denials for what they are worth. To beforehand is to be forearmed.

Lord Haldane may say that the Government's programme is not likely to include the Single Tax. He may be supported by the Prime Minister in his statement. The Lord Advocate may rule out the Single Tax as "utterly impracticable in British politics." We may be told that the Chancellor of the Exchequer is not a Single Taxer. It is all useless. We know that 172 Members of Parliament in the present House are Single Taxers. Repudiation is mere bluff. It is reserved for the House of Commons and the respectable Press. In the country it is:

"The Land! the Land! 'twas God gave the land!
The Land! the Land! the ground on which we stand!
Why should we be beggars with the ballot in our hand?
God gave the Land to the People!"

—*LAND UNION JOURNAL*, August.

WHAT THE TAXATION OF LAND VALUES HAS ACCOMPLISHED IN THE DOMINIONS.

BY R. L. OUTHWAITE, M.P.

New Zealand twenty-one years ago had arrived at a condition of national bankruptcy and the streets of her towns were thronged with the unemployed. The accessible land was in the hands of monopolists who controlled the Government. Then the late Mr. John Ballance allied the Liberal and Labour forces in a land campaign, turned the Conservatives out, and initiated schemes for giving access to the land, the main feature of which was a land values tax. There was an immediate access of prosperity, and in the New Zealand Year Book for 1908 the following occurs: "Since this [the land values tax] was initiated it is estimated that over £50,000,000 has been expended on improvements, which consist entirely of labour and materials. The effect of this on trade and labour in conducting to the prosperity of the Dominion can scarcely be sufficiently appreciated." In the ten years 1897-1907 the exports, mainly agricultural produce, doubled. In 1896 the Rating or Unimproved Value Act was passed, giving municipalities the power to adopt the principle denoted in the title of the measure. Some 80 rating authorities, including the cities of Wellington and Christchurch, have adopted the principle. In the Dominion about £1,000,000 is raised by rating and taxing land values, approximately £1 per head of population. The present Government has announced its intention to levy increased taxation on large estates. While great benefit has accrued from the introduction of land values taxation its operation has been vitiated by exemption and graduation. Prices are inflated below the line of high value, and this inflation has been stimulated by State purchase for closer settlement purposes.

A notable application of the principle of land values taxation was made in New South Wales in 1896, following on the victory of the Liberal party, led by Mr. George Reid. Five years previously a Protectionist party had come into power and had imposed a tariff. Free Trade was now fully restored, and a land values tax of 1d. in the pound was imposed, with an exemption of £240. For the only time in Australasia the result of freeing trade and the land was witnessed. The result more than fulfilled the fondest hopes of the advocates of real Free Trade. New South Wales went forward, despite bad seasons, by leaps and bounds—a progress all the more apparent in comparison with the derelict condition of the Protectionist State of Victoria, which between the years 1891-1906 suffered a net loss of 164,473 persons by excess of emigration over immigration. Unfortunately the Federation brought New South Wales within the operation of the Federal tariff, which was imposed upon the State against the will of its people. It brought, however, the countervailing benefit of inter-State Free Trade.

In 1905 the local government system of New South Wales was reconstituted. For country districts the Shires Act was carried. For revenue purposes it was made mandatory that a rate of 1d. in the pound on capital unimproved value be imposed, the State land values tax being abolished. The shires now raise all rates on land

values. In 1906 the municipalities were dealt with, a levy of 1d. in the pound being made compulsory and permissive power being given the authorities to rate on land values for all requirements. As a result, with few trifling exceptions, the 189 municipalities now rate on land values only. Striking developments took place in the 40 suburban municipalities of Sydney, with a land value assessment in 1909 of £23,486,535. The average rate needed to meet their requirements was 3½d. in the pound on capital unimproved value, rising to 5d. At the outset the usual outcry was raised that this would ruin the poor market gardener, and so forth, but the following statement recently signed by 90 suburban mayors and aldermen shows how the reform has been justified:—

Unimproved Value Rating in the Suburbs.

In response to a request for an expression of opinion we wish to say that the system of rating on unimproved values which came into force under the provisions of the Local Government Act of 1906 is working remarkably well.

It has reduced the rates of a very large proportion of the ratepayers, although we are raising a larger revenue. It has stimulated the building trade, employment is more constant, and business generally is on a much sounder footing. It has induced a number of ratepayers to build or dispose of land which they are not willing or able to use themselves, and has promoted the subdivision of land hitherto withheld from use for speculative purposes. It is fair to all ratepayers, as it simply requires from each his due proportion of the rates. It specially benefits those ratepayers whose use of land is most effective and creditable to the municipality, while it has put effective pressure upon a number of owners of idle or partly used land to change their tactics.

As far as we can judge, the new system has the emphatic support of the bulk of the people. There is no public demand for a change. It is but fair to admit that rating on unimproved values is working as well as its advocates claimed that it would before it was adopted.

The following official statement issued in December last shows that the building trade has not been ruined:—

The City of Sydney is growing at a marvellous pace, and the building operations in 1911 constitute a record. Excluding public buildings, 6,503 were completed this year at a cost of £5,656,759. In the past four years 22,214 buildings have been erected, costing over £12,000,000. This great expansion is still proceeding, and all industries are feeling the pinch of the shortage of labour supply.

In the city proper, owing to special circumstances, only one-third of the revenue is raised direct from land values. This reform is the biggest and soundest application of the land value taxation principle yet achieved.

In the State of Queensland all rates have been raised from land values since 1891, and the reform has long ceased to be a matter of controversy, so fully has it been justified by results. In South Australia the land values tax is ¾d. in the pound up to £5,000 of capital value, plus 1d. over that amount. A substantial increase lately carried by the Assembly was rejected by the Legislative Council. In Western Australia a small tax is in operation. Tasmania, too, has its land values tax. Victoria, the most fertile State of the Commonwealth, sought to impose a land values tax many years ago, but it was rejected by the Legislative Council of forty landowners. A land purchase scheme for closer settlement was inaugurated, with the inevitable result. Prices were so inflated that after spending £1,250,000 the Board had to suspend operations. Rural depopulation proceeded, and the State Government recently carried a land values tax. Such have been the developments by State action, and I now come to the part played by the Commonwealth Government.

In 1910 the Labour party went to the country on a manifesto making a frank avowal that until the "upes tree of land monopoly" was uprooted by the Taxation of Land Values no progress could be made in social betterment. On this issue the party secured a majority, and the Fisher Government in November, 1910, carried its land values tax. Its sole object was to break up great estates. For this reason an exemption of £5,000 of land value was allowed and the tax graduated, reaching 6d. on that part of the value of any estate which exceeded £75,000. Owners were compelled in the first instance to

furnish valuations, which were subject to supervision by a Land Tax Commissioner. Within seven months of the Act receiving Royal Assent the first annual contribution of £1,367,177 was received by the Treasury. The first report of the Land Tax Commissioner has just been presented to Parliament, which shows that taxpayers in the nine months from October, 1910, to June 30th, 1911, sold land of the value of £18,000,000 in 18,288 separate transactions. The freeing of the land has largely contributed to promote the extraordinary boom in emigration to Australia; 100,000 persons want to reach that country this year from Britain, but steamship accommodation is all booked to December.

Of land value taxation in New Zealand and Australia it may be said generally that the existence of tariffs has prevented its coming to full fruition and has led to deviation from just principles. The States obtaining their revenue from tariffs have imposed land value taxation in a piecemeal manner to "break up the big estates," and benefits have largely gone to the protected monopolists who batten on the people. Only under Free Trade can this economic reform bring a full measure of benefit to all in its train.

In Canada of recent years remarkable progress has been made in the adoption of the rating of land values. Vancouver, Victoria, and Edmonton rate only on land values, and other towns are moving in this direction. In British Columbia a Royal Commission has reported in favour of freeing all improvements from State taxation, and the issue is a predominant one in politics in the Western States. A striking object-lesson in the efficacy of the system in bringing land into use has been provided in Edmonton. The Hudson Bay Company held a large area vacant in the centre of the town, and when rates were shifted on to land values the Company was called upon to pay a contribution of £45,000. The result was the great sale of building lots which recently took place in London at the Company's offices.

In the Transvaal public opinion is strongly in favour of the rating of land values. The Leasehold Townships Commission has just reported that rates should be levied on land values, and the Councils of Johannesburg, Pretoria, and the other larger towns have asked for power to introduce the system. At the last Johannesburg municipal elections the Labour party achieved a remarkable victory on this issue.

Consequently it may be said that so far as the Dominions are concerned we find land value taxation in operation or on the eve of adoption or extension. It is a striking fact that where within the Empire need is greatest the reform should tarry. Although Australia and New Zealand have gone so far in drastic measures, land monopoly in these great under-populated territories never inflicted a fraction of the evil it does in Britain, where an acre of land withheld from use is a crime against the common weal. Nor was the land-user ever so penalised by rates and improvements as in Britain. The policy formulated in the Land and Taxation Reform Memorial would strike an Australian or New Zealander cognisant of the facts as a timorous proposal, but it is based on sound lines and adopts the best that can be gleaned from Australasian precedent.

I may add, in conclusion, that to my personal knowledge three Ministers coming to England to promote emigration to Australian States have been so astounded at the condition of the countryside that they have expressed the opinion that if land monopoly were broken up Australia would have a poor chance of getting immigrants—a sane view, since these men go 14,000 miles away to produce for British markets on soil infinitely less fertile than the millions of derelict acres they leave behind.

A message from Victoria (British Columbia), in THE STANDARD of July 25th, states that the building permit figures for the first six months of this year easily break all previous records, the total being \$4,647,600, compared with \$1,432,585, an increase of \$3,215,015, or 225 per cent.

In point of increase for the six months Victoria heads all other cities of the Dominion, despite the fact that in all Western centres the building activity is demonstrated by the figures to be even more pronounced than last year, which, to that time, had proved the banner year.

It is interesting to note that Victoria adopted the principle of the rating of land values in 1911.