

Some General Facts of Our Progress in Australia

WITH SPECIAL REFERENCE TO THE SINGLE TAX
FIVE YEAR BOOK

MY perusal of your very interesting YEAR BOOK convinces me that Australia is easily in the van of the Land Tax movement. You need to correct page 194. The Land Tax Act of 1877 passed by Mr. Berry's government, was thoroughly unscientific; it was based on area only, and the values for taxation purposes were fixed by the sheep carrying capacity of the land. Sir Graham Berry had (if he had any) mere glimmerings of the truth. I append a summary of the present position.

1. (a) The State of Victoria in 1910 passed a Land Tax Act imposing a tax of $\frac{1}{2}$ d in the £ on the unimproved value of all land (with sundry exemptions for religious, charitable and other purposes) and with a general exemption up to £250. This exemption diminishes £1 for £1 as the value of the property exceeds £250, so that the exemption disappears when the unimproved value is £500. In the financial year ending June 30th, 1918, the revenue raised was £353,156. It is true the amount is insignificant, but it is 15% of the total of £2,310,723, which is all that the State raised in 1917-18 in taxation (in which I include stamp duties, licenses, etc.). Much of the State's revenue comes from the railways, which it owns and other services (57%) and from a subtraction from the Customs duties received by the Commonwealth government (13.73%).

(b) In 1914 Victoria passed an Act giving municipalities the option of imposing their local rates on the unimproved capital-value in lieu of the annual value—movables here are never taxed by local bodies. The machinery clauses were so defective that no advantage could be taken of the Act. In January of this year the requisite amendments were made and already seven or eight out of under 200 municipalities have declared their intention of rating on land values only. This is largely due to many years of earnest propaganda. There are clear indications that many more will rapidly do so—the fighting has hardly begun. The amount raised by municipalities and other local governing bodies in this State is nearly equal to that raised by the State government. But when local governing bodies put rates on land-values only, it has these advantages over land values taxation when imposed by a State government.

(1) It is good taxation *in substitution* for bad, and not in addition to it.

(2) There is no danger of exemptions or graduations, which completely ruin the efficacy of any system of land value taxation of which they form a part.

(3) It is the line of least resistance and the reformer gets the assistance of the useful or using land owner, as against the useless and non-using land owner.

Municipal taxation in Australia is mainly for road maintenance—public gardens, libraries, drainage (not sewerage), cleansing, *not* for education or police or asylums, etc. Sew-

erage and water supply are in the large cities under the control of separate boards.

2. You have omitted all reference to the land taxes on unimproved values imposed by the States of Western Australia and Tasmania which brought in, in the financial year 1917-18, £63,388 and £84,701 respectively.

I am sure you will pardon me pointing out an error on page 141 in the footnote. The City of Sydney is only a portion of Sydney, just as the City of London is only a portion of London. Sydney has somewhere about the population you mention—not the City of Sydney.

While I am writing it occurs to me, that the results of the Australian census taken as at June 30th, 1915, may be of interest. The census was of privately owned wealth only and excluded railways, water supply works, harbors and irrigation works which, in Australia, are generally government owned. The results were, in very round figures:

Improvements	£600,000,000
Land Values	£500,000,000
Movables	£500,000,000

Australian total £1,600,000,000

As a fact the land values were slightly in excess of the value of the movables. There is also a natural tendency on the part of owners to minimize land values. The census contains some most interesting figures showing how, as a general rule in small holdings (whether rural or urban), the percentage of improvements is highest, and how the percentage of improvements gradually diminishes as the landed estate increases in value. The value of the plant and machinery of all the factories in Australia is less than 10% of the land values.

The real progress being made in Australia, unsatisfactory as its slow rate is to enthusiasts, is not sufficiently appreciated unless we take into account the difficulties overcome.

Let me give you a rough estimate of what Australia raised in land value taxation in 1917-18, when the population was approximately 5 millions.

FEDERAL LAND TAX ON LAND VALUES:

(See S. T. YEAR BOOK, p. 141; £2,123,779)

STATE TAXES ON LAND VALUES:

New South Wales	2,921
Victoria	353,156
Queensland	344,547
South Australia	165,469
West Australia	63,388
Tasmania	84,701

MUNICIPAL TAXATION:

Queensland (approximately only)	710,000
New South Wales (approximately only—but quite safe estimate)	2,100,000
South Australia (only about 12 municipalities are affected)	

£5,947,961

This represents an average of nearly £1 3 7 per head of population of 5,030,479 out of an average of £8 7 1 per head, for Federal, State and Municipal purposes. It is perfectly true that the Federal Land Tax has none or practically none of the good effects that a sound application of George's theories would have. It is a jumble of exemptions and graduations—but it is raised exclusively by a tax on pure land values.

The Queensland State Tax is the same.

The Victorian Tax I have described.

The South Australian is a flat rate of ½d up to £5,000, but above that there are sundry departures from principle. However, the tax is confined to pure land values.

The Western Australian and Tasmania taxes are both on pure land values, but their virtue is diminished by exemptions and graduations. While these exemptions and graduations necessarily involve the sacrifice of the efficacy which a scientific land tax would have had, yet it must be borne in mind that the owner of the land values pays, and the land user escapes to that extent.

I cannot for the moment give the exact figures for New Zealand, but the amount per head must be substantial.

Returning to Australia, the revenue from State Land Tax is more than 10% of the revenue of the STATES from taxation. Of the municipal taxation of Australia—*much more* than 50% is raised from land values only; but it is difficult to calculate the exact percentage.

In the State of Queensland, with a population in 1918 of 694,440, the amounts paid in taxes on land values were as follows:

Municipal Taxation	£710,000
State Land Value Tax	344,547
Federal Government's Land Value Tax	203,314
Total	£1,257,861

An average of £1 16 2 per head of population in land value taxation, where the total taxation for all purposes averages £7 19 9.

After perusing your interesting and valuable work, the SINGLE TAX YEAR BOOK, it appears to me that Australia and New Zealand are miles ahead of the rest of the world in this movement, and deserve first mention everywhere.

There is one lesson, I think, to be learned from Australian experience, and that is how much more hopeful of good results is the municipal field as compared to others. Look at the New South Wales and Queensland figures, and note that nearly half our land value taxation is raised by the municipal taxation of two States.

When the battle is in the municipal arena, the improving land owner is fighting to get the burden off his own back on to the back of the unimproving land owner. When a new State Land Tax is suggested, both the improving and the non-improving owner resist the proposed new burden on both. You don't seem to have had the same success in the States as we have had, but we are finding that the magnificent propaganda done during the last 30 years is

bearing fruit. Those unsuccessful fights of yours have, you may be certain, not been all in vain.

By some accident, I had never seen your book till a few days ago. I am immensely struck with it. Would it not be a good thing to include some of the very favorable reports of Australian and New Zealand officials on the working of the Land Value Tax in your next YEAR BOOK?

I am thinking particularly of those which Max Hirsch quoted in his "Land Values Taxation in Practice," and which are referred to on page 103 of the YEAR BOOK. They should be of world wide interest. FRANK H. G. CORNWALL.

Single Tax Periodicals in South America

BESIDES the *Revista del Impuesto Unico*, official organ of the Argentine Single Tax League, published monthly in Buenos Aires, the movement in South America possesses a fortnightly review, published by the Georgist Society of Cordoba; a weekly paper of eight pages, the *Impuesto Unico*, of Rosario; another weekly, *El Hogar*, of La Plata; and a new illustrated monthly, *La Cultura*, published in Montevideo. All of the above periodicals are devoted exclusively to the exposition of the Single Tax philosophy and fiscal policy, and the recording of local legislative initiatives and other incidents of the vigorous campaign being carried on in the Argentine and Uruguay.

La Cultura deserves special mention. The whole population of Uruguay is only about 1,500,000. And yet this monthly Single Tax magazine carries 32 pages of matter besides its finely glazed cover. Each issue thus far has an illustrated frontispiece. Other pictures are scattered through the text of the *Review*. At the same time it may be noted that the publication is well supported by advertisements.

Oregon

THE Single Tax amendment is now safely on the ballot. J. R. Hermann, to whom the chief credit is due, and who has done his work with meagre financial resources, is to be congratulated.

Mr. Hermann writes us that the Single Tax Party Convention in Chicago has been widely advertised in Oregon, and the publicity given to the Single Tax is certain to help the fight in that State.

Prof. Seligman addressed the Press Club in Portland, and Mr. Hermann at once issued a challenge to that gentleman to debate the Single Tax. On meeting Mr. Hermann, Prof. Seligman said he had debated with Henry George, but could not see his way clear to debate the question now. When reminded that it was a live question in Oregon he said he knew that. But he would not debate.

The argument for the amendment to be voted on in November has been forwarded to Salem. It makes quite a lengthy presentation and contains liberal extracts from Harry Willock's "Unused Democracy."