

Single Tax Progress in Australia

SOME interesting information about the progress of the Single Tax movement in Australia is contained in the double number of the New South Wales *Standard* issued to commemorate the twenty-first year of its publication. It has been edited during the whole of that long period by Mr. A. G. Huie, secretary of the Free Trade and Land Values League. In addition to a number of portraits of prominent Single Taxers, past and present, there are numerous special articles from which we learn that New Zealand led the way in Single Tax legislation (in 1878), when Sir George Grey was in power, although it has long since been passed by Australia, where the principle was first made law in Queensland in 1890, Sir Samuel Griffith, the Premier, and Sir Thomas McIlwraith, Treasurer, in response to an influential deputation, withdrawing their own bill for taxing improvements and substituting another in which land value rating was made compulsory in the municipal sphere all over the State, and has remained so ever since. Henry George's visit to Australia in that year had a marked influence in promoting the movement.

In New South Wales in 1895 Mr. (afterwards Sir George) Reid, who was Premier at the time, imposed a tax of a penny in the pound on land values throughout the State with £240 exemption, coupled with an income tax (which legislation was afterwards abolished), but it was not till 1906 that the Queensland example was followed and land value taxation was made compulsory in the shires and partly so in the municipalities by Mr. (now Sir Joseph) Carruthers without the exemptions and graduations which have long marred the Federal Act. In 1916 the principle was applied to Sydney, which had previously been exempt. In 1910 a Land Valuation Department was created in New South Wales at the instance of Hon. Arthur Griffith, which a Premiers' Conference in 1916 recommended should be adopted in all the other States, but so far nothing has been done. The total revenue raised by the Local Government bodies in New South Wales from land values in 1924 amounted to £4,315,000, including a tax on city and suburban land values enhanced by the building of the North Shore Bridge.

Power to rate on land values was first granted in South Australia in 1893, but it was not till 1907 that the principle was practically applied. Land value rating has since been adopted by 16 municipalities, and a bill has passed the Assembly empowering the District Councils to do the same. In Western Australia rating on land values was vested in the Road Boards in 1902, but municipalities still retain the old method, notwithstanding that frequent requests have been made by municipal conferences for a change to the new system. Land value taxation by the State was instituted in 1907-8, the rates now being one penny in the pound on the improved and twopence in the

pound on unimproved land values, an exemption of £50 previously imposed having since been abolished. Half of the proceeds go to the reduction of freights. In 1914 the Victorian Parliament passed two land value rating Acts, but it was not till 1919, when an amending Act gave valuation powers to the municipalities, that the principle could be enforced, since which date the reform has been adopted by 15 councils. The rates are 2½d. in the pound in the shires and on an average 5d. in the pound in the cities and towns.

The one flaw in an otherwise remarkable record (in the eyes of the Single Taxers) is that in the Federal sphere land value taxation is marred by exemptions and graduations, which Single Taxers will do their utmost in the future to induce Parliament to remove.

—PERCY R. MEGGY.

Rivadavia's Idea Sprouts Forth In Australia

Canberra:—A city where all will be able to live and work without being overloaded with the heavy burden of taxes and all will be able to have a house of their own without having to buy the land.

(Translated from *Mundo Argentino*, Buenos Aires).

IN this month of May, which is consecrated to the memory of the birth of the Argentine nation, the most positive tribute for the perpetuation of one of its most outstanding creators has been provided, not by Argentines, but by men of another country and another race; to be exact, by our antipodeans, in the Australian continent.

There, not with flattering words, but with enduring deeds, on the 9th of May was inaugurated the Federal Parliament Building and in the act celebrated the founding of a great city, which will be the capital of a great democratic nation like our own, but showing itself to be more capable, as we shall see, of real and transcendental progress.

The Australian nation, formed of autonomous states, was constituted in the year 1901, and thus arose the necessity of giving to it a national capital as seat of the federal government. It was considered advisable to found a new city, just as was done here in the case of the city of La Plata, in order to provide a capital for the province of Buenos Aires.

On studying the best way of organizing the economic bases for the new metropolis, the Australian authorities, in harmony with advanced science and enlightened patriotism, decided to establish, as regards the ground upon which it was to stand, a system of leasing which turns out to be similar if not exactly the same as the system which was conceived and implanted with success in our own country by our great Argentine patriot, Bernardino

Rivadavia.®

The incipient civic culture of our country in those first days of its national life was unable to appreciate sufficiently the extraordinary gift that was bestowed upon it. It could not resist the reactionary movement under Rosas, the tyrant, which annulled or postponed this and so many other advanced reforms.

But a great and true thought never dies. Soon or late, it revives. And it is with reflective emotion that we must observe the marvelous fact that, on the other side of the globe and a century removed in time, there arises in full vigor the same ideas which Rivadavia and his friends fervently upheld as the guarantee of the future greatness and happiness of the Argentine people.

Rivadavia's idea consisted, briefly, in affirming the principle that the land of the country must not be sold to anyone, foreigner or native; that said land must remain the common property of all men who at any given time live there. It also established that each man can use in any way any portion he may need in order to till it and occupy it with his dwelling, factory or business, the only condition being that of paying into the common treasury the economic rent attaching to the portion he occupies.

This fundamental idea and principle, inculcated in the teachings of the learned French physiocrats and the illustrious ministers of Charles II, Campomanes and Florida-Blanca, was completed by the enlightened intuition of Bernardino Rivadavia and shaped into a practical procedure for carrying it out, utilizing the advantageous position presented by the Republic, as a new country where at that time almost all of the land was public property, not having been sold, save to a very small extent, to private individuals.

By a special law decreed in 1826, the ancient Roman system of "enfiteusis" was adopted, but improved by an innovation as admirable as it was fundamental and fruitful. Instead of handing over the land to private individuals for a long and indefinite period and at a fixed rate or rental, it was conveyed to him at a variable rental. That is to say, for a term equally long and undefined, but subject to revaluation every ten years, after the first twenty years.

In this way the State accompanied step by step the natural course of rising values and in the name of the common interest, collected for the community the increased rental values which are the fruit, not of the effort of the individual, but of the general progress and activities of the community.

The ideal of Rivadavia may in concrete be described as creating a nation in which *all citizens would be equally landlords*, a nation in which *there would be no taxes* (since the rent of the common land would more than suffice for the public expenses), a nation, finally, in which all the inhabitants would be rich, since the above-mentioned economic bases would make easy for all the access to the land (which is the primary, inevitable and constant basis

of all industrial processes), and also make easy production and consumption, with all due respect for the private ownership by each individual of goods produced by himself.

That accurately conceived plan, which was so lamentably defeated, is what has just been revived, even though only locally, in the new city of Canberra. There the ground is not sold to anybody; it is given in lease for ninety-nine years, on a rental or rate fixed by public auction, said rental or rate being valid for twenty years, renewable every ten years after on a new valuation. Upon this economic basis, which has already been tested tentatively in the neighboring city of Adelaide and in many other Australian and New Zealand communities, there is no doubt that the new capital will develop extraordinarily, along the lines of the admirable plan prepared by the architect, Mr. Walter Burley Griffin, who incidentally is an old disciple of Henry George.

The analogy between the economic system implanted in Canberra and that of Rivadavia is complete, with the exception of minor executive details.

The genesis of this innovation did not arise in Australia from the direct study of Rivadavia's plan (although that is familiar to Georgists all over the world), but rather to the campaign which the great North American economist, Henry George, carried on there about the year 1880. (Incidentally it may be stated that, at that very time, the Uruguayan, Dr. Andres Lamas, was composing in Buenos Aires his splendid work upon the Agrarian Law of Rivadavia.)

Nevertheless, in the profound teachings of Henry George there is no trace of plagiarism, as might be supposed. On the contrary, the doctrines of George sprang spontaneously from his intelligence, in the natural evolution of his own observations and reasoning, without any acquaintance with the Rivadavian precedents. Others also, in other countries, have arrived close to the same solution. And this is comprehensible; because, when related facts are found incarnate in reality, it is not astonishing that several thinkers should discover and formulate them in scientific laws or practical measures of action. As Henry George once said, it is not impossible that, from widely different observation points, two men looking at the sky should discover the same star.

Looking upon the soil of his country, and filled with an intense desire to discover its secret possibilities for the luxuriant growth of the human flora, Rivadavia and then George saw the truth. The former established a plan for preserving the common property where it already existed; the latter, to restore it to common property when, as with us it happens, the ignorance and carelessness of past governments committed the frightful folly of alienating it.

Other men with good intentions have tried to remedy the grave evils of social injustice under the inspiration of false European doctrines, without realizing that here in

America they had at hand a solution that was higher and truer. As Lamas well understood (and experience has confirmed his opinion) the modern pseudo-science of political economy in Europe, whether posing as conservative or advanced, cannot be accepted as a proper and safe guide.

Down through the years the message of those great men reaches us, preserved and disseminated by the prodigious invention of the printing press. The greatest mission of the present generation is to bring it to pass. And the example of Canberra, a decisive experiment of world-wide importance, is a call to study and to action on the part of all men of heart and intellect, since our glorious constitution and the providential Law of Saenz Peña place within the hands of the people the possibility of bringing it to pass, with ease, in order and in peace.

What the people have first to learn is to hold as treason to the nation the sale to private persons of another inch of Argentine land still remaining public property.

—C. VILLALOBOS DOMINGUEZ.

Catholics and Housing

IN reply to "Chartered Accountant," may I state the taxation of land values is not a proposal to make "the State the universal landlord"! It is a proposal to untax say, all buildings and food stuffs and substitute a tax on the selling price of land apart from improvements. Idle land pays almost no local rates, and taxing the rental of buildings makes buildings dear and expresses itself in all the higher rents. All urban effort is handicapped by ransom prices for ground.

In agricultural districts, also, land suitable for tillage is withheld from use, and here in Scotland the price paid for land expresses itself in all the higher annual rent or annuity the small-holder, etc., has to pay, and therefore worsens his position. It would seem as if a brick would need to accompany this idea in relation to many land-buying jobs in order that the effects might dawn as to the burden-bearer.

Under the existing system all demands for land enhance its price. I suggest therefore, the first business should be to break monopoly prices. If that viewpoint is wrong where is the error?

Is the principle acceptable that all the valuable land should be in fullest use?

The parents of 11,000 Catholic children in Glasgow were last year unable to feed their children mainly through unemployment, according to statistics furnished by the Education Authority.

The solution of unemployment is the pressing immediate problem. A Budget can be passed irrespective of the views of the House of Lords. A favorable House of Commons could impose a Budget tax on the capital value of all land apart from improvements, so as to make it unprofitable for useful land to be idle.

Millions of acres of useful ground are lying idle or only partially used. The enormous demand for workers which would follow this taxation policy would solve unemployment, and so much land coming into the market for use would break monopoly prices.

The people are sick of cod reformers. Road-making schemes put thousands in the landlord's pockets and enhance land values along the new road, petty housing schemes, such as those in Glasgow, in five years involved paying £565,406 for sites for houses, and the unthinking wonder why rents are high.

These and other pettifogging devices are time-wasters. All of God's land for the use of God's children ought to be the slogan, especially of members of God's own Church who are not thrilled to privilege, and more concerned about the interests of landlordism than they are about the thousands of jobless men and women, condemned to a life of idleness, through the withholding of land from use.

The taxation policy suggested will bring about a great distribution of the land of the country, and thousands wanting small holdings will readily obtain land at a cheap price. Just now the farmer's improvements are taxed. No land value disciple that I know of proposes in any way to interfere with the producer of improvements, owning them, and with them free of local rates as in some parts of Canada, improvement making would be encouraged. In Manitoba and in the rural districts of Alberta the local revenue is solely derived from land values.

Why waste time fishing for a sprat when you can catch a salmon?

Thirty-six years have passed since his Holiness Pope Leo XIII said "some remedy must be found and found quickly, for the misery and wretchedness pressing so heavily and unjustly *at this moment* on the vast majority of the working classes."

With sorrow I write it, we have nothing in Great Britain from our Catholic public men (except Rev. Vincent McNabb, Q.P., and a few others, very few) but time-wasting expedients, the hackneyed devices of political tricksters in all parties, and no great public effort for the legislative enforcement of God's design—"The earth he hath given to the children of men". The taxation of land values, I urge, will accomplish that purpose.

Pope Leo XIII wrote: "To defraud any one of wages that are his due is a crime which cries to the avenging anger of heaven". For a bit of idle land in Glasgow I have witnessed £50,000 being paid before houses could be erected. There are thousands of similar instances all over Great Britain. Paying these sums means high rents and taxes. In essence the initial wrong is a step in the defrauding of the worker of his earnings.

What position have the Social Study Clubs taken on this question? Some Catholic public men on local boards in Scotland have spoken out magnificently on the taxation of land values, and carried resolutions demanding power