

Our Australian Letter

From A. G. HUIE

WHEN he was leader of the Opposition in New South Wales, Mr. W. J. McKell promised that if he was returned to power at the then forthcoming General Elections, he would abolish the Wages Tax. As reported in my letter in your July-August number, he was successful and assumed office. The Wages Tax was introduced over ten years ago. At first it was three pence on the pound over a moderate minimum. The Lang Labor Government increased it to a shilling. After its defeat the rate was reduced. It has always been regarded as a particularly obnoxious tax.

Latterly its title was changed to "unemployment relief and social service" tax. As this tax in the past year produced nearly nine million pounds and the State could not afford to lose that revenue, Mr. McKell was set a difficult problem. The Henry George League of N. S. W. arranged a deputation to the Government. It was received by the Hon. C. C. Lazarini, M.L.A., Honorary Minister, on behalf of the Premier. The speakers commended the Government for its determination to abolish the Wages Tax. It suggested taxation of land values to at least make good a substantial portion of the revenue needed. Consideration of our suggestions was promised.

There was no evidence of it when Mr. McKell made his budget speech. It appears that a readjustment of the income tax, with a higher minimum is to be adopted. Details are not yet available, although expected shortly. The plea of the Labor Party is to make the higher incomes pay more, to tax dividends and companies. Of course all business concerns will have their production costs increased and so the workers will have to pay higher prices.

The Henry George League had arranged another deputation, about three weeks earlier, to the Minister for Local

See! Ya gotta have a lotta people who will fight!

Government, the Hon. Jas. McGirr, M.L.A. It submitted four requests to him, in the following order:

1—The work of valuing the lands of the State by the Valuer-General should be speeded up and completed as soon as possible. The speakers pointed out the desirability of uniform and up-to-date methods in valuing land. The Valuer-General had done good work, but he had inadequate support from successive Governments.

2—Water and sewerage taxes in Sydney and Newcastle areas should be imposed upon land values, instead of assessed annual values, or in other words, the use of land. This proposal has been on the platform of the Labor Party for many years.

3—The option for local governing bodies to adopt proportional representations for their elections should be made workable. The permission given to adopt improved electoral methods in the 1919 Act had proved hopelessly unworkable.

4—Local taxes should be payable upon Government properties. This was the case formerly, but Mr. Lang, some ten years ago, when he got the State into financial difficulties, exempted the Government from making its contribution towards the cost of local services.

The Minister replied sympathetically with respect to the first three proposals and was non-committal with respect to the fourth. So far nothing has been done.

At the last Federal elections, about a year ago, the chief political parties were returned with almost equal numbers in both the House of Representatives and the Senate. With a war on, this was very unfortunate. The Government continued precariously in office. Common-sense would seem to indicate that under such conditions, both parties should sink their differences and form a united Government at least for the duration of the war.

The Government was willing, but the Opposition was not. A few days ago the Opposition challenged the Government on the budget. With the help of two Independents it succeeded in defeating the Government. Mr. Curtin, the Labor leader, will be the new Prime Minister. The Labor Party has been in the political wilderness for about nine years and its leading men were very hungry for office.

The budget of Mr. Fadden, the defeated Prime Minister, was strongly criticized by Labor members. It relied chiefly on increased income taxes, ordinary borrowing, plus a compulsory loan, to be called a "post war credit" at two per cent. interest, to be repaid after the war. No attempt was proposed to get revenue from the right source, land values. The first step of the new Government will be to revise the budget proposals. The intense party strife while a great war is on is viewed with much disfavor by the helpless onlooking public.

Propaganda work while the country is involved in a great war is not easy. We are trying to get as many of our friends as possible to communicate with their local member in Parlia-

ment, asking him to impress its importance upon the Government. Further, we are getting a number of opportunities to address local organizations, such as Municipal Councils and Progress Associations to also approach their member.

It is generally conceded that land values instead of the use of land should be the basis of rating, *i.e.*, local taxation. For 25 years the writer has been working on this reform. Local Government Conferences have repeatedly favored it. Talk to the ordinary man and he favors it. I addressed a Progress Association last week. They unanimously approved of a resolution which I had drafted, with a view to their sending it to the local member. This is not an isolated case. If the Government would take the matter up in earnest it would be passed into law.

We do have friends in the Government. One of them is the Hon. C. C. Lazzarini, referred to previously, a member of the N. S. W. Government. At the Henry George Anniversary meeting in Sydney, September 22, Mr. Lazzarini spoke as follows:

"Those assembled here tonight have met to perpetuate the memory of a great man of the people, a man who preached a philosophy that had for its purpose the right of equal opportunity for all.

"He was not reared with a golden spoon, and in his younger life suffered many hardships and disappointments, and experienced all the various vicissitudes of life which gave him a great knowledge and understanding of human affairs. Henry George was honest and sincere in his convictions, and his unflinching devotion to principle is an inspiration.

"I have never claimed to be a complete follower of all the economic doctrines of this great teacher, but the more I see of life and the great paradox of poverty in a world of plenty I am satisfied Henry George put his finger on one of the main reasons in his land taxation proposals.

"He laid down the doctrine 'that there can be no just title to an exclusive possession of the soil,' and that private property in land is a bold, bare enormous wrong like chattel slavery.

"I believe the private ownership of land under the conditions existing in most civilized countries rob the children of men of their God-given heritage. The true value of land is that given to it by the community, but Governments in all countries have allowed greedy and selfish individuals to acquire large areas held out of proper use for pure purposes of speculation.

"Such land has been held until public expenditure in various ways, and the urge of land hungry seekers have inflated values beyond all reason. Such persons are the real fifth columnists of all countries and they hold the people to ransom.

"Henry George's method of Land Value Taxation seeks to secure this unearned increment for the nation and thereby prevent exploitation by the greedy few and also bring land which is man's heritage, into proper use for the benefit of all.