

## Progress of the Henry George Movement in New South Wales

By A. G. Huie

Henry George visited Australia in 1890. He arrived in Sydney in the beginning of March. His visit was due to the activities of his disciples in Sydney. His books, particularly *Progress and Poverty* and *Protection or Free Trade* had made many enthusiastic converts.

It is well to note that Henry George made a much bigger impression in N.S.W. than in Victoria. Those who favoured Free Trade had generally prevailed in N.S.W. while protectionist ideas had been dominant in Victoria. Thus there was a better soil here than in the adjoining State, so the economic seeds planted by Henry George produced greater results.

### THE FIRST PRACTICAL EFFECTS

The first practical effects in N.S.W. were seen in the coupling of taxation of land values with free trade. It was put forward as the natural, direct alternative in raising public revenue to tariff taxation. Although some Henry George men were elected in 1891 it was not until the general election in 1894 that very definite results were seen.

The Dibbs Government had imposed a number of very modest protective duties. This provoked a storm of protest and the protectionists were swept out of office in 1894. The new Reid Government proposed to cut the tariff down to about half a dozen items of a revenue-producing character, chiefly stimulants and narcotics. It also proposed a tax on land values and an income tax to raise the necessary revenue.

Such a policy proved too radical for the very conservative Upper House known as the Legislative Council. It rejected the land value tax. Mr Reid appealed straight to the country and his policy was emphatically endorsed, even Mr Dibbs losing his seat. The Council then had no option but to pass the land value tax. In this way N.S.W. became more definitely a Free Trade country and Sydney was one of the freest ports in the world. N.S.W. prospered under the Reid policy.

The introduction of the land values system in N.S.W. necessitated a valuation of the land. This took a little time. The land value tax was a small

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one only, one penny in the £, and there was an exemption of £240. This was a defect. It was opposed by Single Taxers but was adopted as a concession to small owners. At the same time all owners had the benefit of it.

#### HOW FREE TRADE WAS LOST

The Australian States decided to federate, and the new Commonwealth was proclaimed on the 1st January, 1901. In that year a tariff on protectionist lines was introduced. Thus N.S.W. lost the great advantages of a Free Trade policy.

#### THE LOCAL GOVERNMENT ACT

On the 2nd September, 1901, the present League was formed at a Henry George Anniversary Dinner. The new League reviewed the position and decided that the line of least resistance was through local government. Our system was out of date, and a new Act had been promised for many years. In 1902 I arranged for members of our Committee to interview Mr. Carruthers, who was then leader of the Opposition. He received us kindly, showing a clear understanding of our principles.

He promised that if elected he would provide for local taxation of land values. He renewed this promise to a deputation which I organized after he became Premier in 1904. Mr Carruthers was as good as his word—if not even better. First, he provided a system of rural government for the unincorporated portions of the State, except in the sparsely settled Western Division, with rating on unimproved values only. Second, he provided a new system for municipalities outside the city of Sydney.

With them he made it compulsory to levy a general rate of not less than one penny in the £ on land values. But they could raise all their rates in that way, or impose an additional rate on improved values—that is the value of the land and improvements taken together. But if they proposed this the ratepayers had the right to demand a poll and decide the incidence of the rating for themselves. A similar option existed for special, local and loan rates.

#### WON ALL THE POLLS

Most Councils adopted the land values system straight out. In a few cases a mixed system was proposed. We demanded polls and won them all. In country centres, however, which we could not readily reach, improved value rating was adopted to a limited extent chiefly for special and local rates. This method, however, is dying out of its own accord.

Prior to the adoption of the Carruthers Act the State Government had to attend to local expenditure in rural areas and also did a good deal of work in municipal areas. Mr Carruthers made it a condition that Councils should undertake this local expenditure themselves. If they levied a rate of not less than a penny in the £ on land values the State land value tax would not be collected in future. The £240 exemption was abolished. The Shire rates were first imposed in 1907, and assessed annual value rating was abolished in municipalities in 1908.