

COLONIAL AND FOREIGN

NOTES ON AUSTRALIA

A. G. Huie

The twenty-first anniversary of LAND VALUES seems a good opportunity for me to send a few notes on local experience in Australia, in fact I should do so oftener, but pressure upon one's time is such that things which might well be done often have to be omitted. As you know, we have in Australia a graduated Land Tax imposed by the Commonwealth Government. From time to time you have been informing your readers about it, and giving them information as to the number of sales of taxable land since its adoption. Perhaps your readers will think that this is good business from the point of view of the landless man. If so, they are very much mistaken. Senator Grant the other day secured a return showing the values together with the number of landowners who made returns under the Act. It is clear from them that this graduated tax has done nothing to solve the land problem. The sales referred to only mean a rearrangement among the large landowners. They do not mean making available land to small holders. But even suppose that the tax had the effect of compelling big landowners to sell in small areas it would not mean cheap land for settlers, for as the tax does not apply to small holdings it does not moderate the price of land to the user. It is, therefore, of no practical value to the poor man who wants land. This is recognised clearly enough by Senator Grant, and it is hoped that the Labour Party will wake up to the fact that the exemption is a fraud and abolish it.

I am inclined to think that you might make more of the good example of New South Wales in raising local revenue from land values. Most of our municipalities and all the shires impose all their rates on the value of land apart from improvements, in only a few cases is there a serious departure from the principle, and these are in country centres which, for various reasons, we cannot get at to do propaganda work. Then, of course, there is the bad example of the City of Sydney, due mainly to the action of the State Government in refusing to pay its fair share on Government properties. But in spite of that handicap last year the "old brigade" in the City Council won by two votes only. This year they also managed to scrape through with a majority of two votes. There will be a City Election in December, and we propose to do all we can to secure some decided changes in the membership of the Council so that rating on improvements will be a thing of the past next year. In spite of these shortcomings New South Wales this year will probably raise nearly, if not quite, £2,000,000 of money direct from rates on land values. There are no exemptions outside parks, hospitals, churches, &c., and there is even a strong body of public opinion in favour of no exemptions at all. The point I wish to make clear is that there are no exemptions such as under the Federal Land Tax. If a man has an allotment worth £25 he has to pay his share of the rates just the same as if it was worth £250,000. There is no graduation. If the rate is 2d. in the £ or 3d. in the £ it applies to the small allotment of £25 and also to the big estate of £250,000.

Progress in New South Wales

We are hopeful that further progress will be made this year. Three Bills are to come before the State Parliament in the coming session. One is to amend the Local Government Act. Generally, from our point of view, the changes

proposed are slight, but the Political Labour League has demanded that all local taxation shall be imposed on unimproved land values, and we are making representations to the Government on the same point. If that is adopted it will settle those places where reactionary aldermen put part of the rates—usually a small part—on improvements. This Bill, however, is complicated by the introduction of several more or less debatable questions. It proposes to give Councils power to embark on all sorts of socialistic enterprises and to very greatly extend the franchise for local elections. Some people seem to think that that would be a good thing from our point of view; experience has shown, however, that there is nothing in it. The hardest man to deal with in our propaganda work is the landless man who objects to land value taxation. It may seem strange, but it is nevertheless a fact. If the land monopolists lost that one prop they would go down for ever. For that reason I do not anticipate that an extended franchise will be of any practical value in furthering land value taxation, while it will probably have the undesirable effect of extending socialistic enterprises which in most cases turn out badly.

The next Bill is for the purpose of providing a State valuation of all lands for all public purposes. At the present time local governing bodies make their own valuations. There are also special valuations constantly being made for resumption of land, advances to settlers, probates, and various other purposes. The idea of the Bill is to provide a common public valuation of land which will be the basis for taxation, the value for resumptions for public purposes, or for any other purpose for which a valuation is needed. It is largely on the lines of the New Zealand Act. To show the need for such valuation it is only necessary for me to mention that the average land value per head of the population in New South Wales is £100; in New Zealand it is nearly £200. It is absurd to say that the value of New Zealand land is twice the value of land in New South Wales. Everyone with a little knowledge of land values is aware that a great deal of our land is shamefully undervalued. The new Bill, if passed, will be a very decided step in the right direction. It is more important than the Amending Local Government Bill. We are making strong representations to the Government with respect to certain features of the Bill in order to improve it as much as possible.

Another Bill which it is said will be passed in the coming session is the Greater Sydney Bill. The general purpose of it is to set up a Council of 28 aldermen, who will take the places of the Sydney City Council and a number of the nearer suburban Councils. There will also be what is described as an Outer Zone. In it the existing suburban Councils will continue, while certain powers will be given to the Greater Sydney Council, and seven aldermen will be elected to represent this Outer Zone. The wards are to return seven aldermen each to be elected by proportional representation. I think that the taxation will be alright and on the unimproved value of land only. We have not yet seen copies of this Bill, but will make any representations necessary as soon as we can.

The Curse of Protection

I think that the people in England scarcely realise the real character of the curse of "Protection" in Australia. You have one great enemy to fight—the land robber. In Australia we have two enemies to fight—the land robber and the protected robber, and the latter really takes more from the annual earnings of labour than the former. The first report of the Inter-State Commission has just been published and the figures it supplies show that the losses to the consumer because of the tariff are considerably more than was hitherto suspected. Not only is the policy of Protection wrong and immoral in itself, but it gets con-

siderable support under false pretences. For instance, in New South Wales our system of local taxation on land has led to much better use of land with the resulting beneficial effects, but as we have what is called "Protection" to foster "local industries" which, of course, mean hot-house concerns in many cases, Protectionists claim that all recent progress is due to the tariff so that the natural effects of land value taxation benefiting the people are not credited to land value taxation, but are falsely credited to "protection." If you get a dose of Protection again in England and also get your local taxation on land values you will find yourselves in exactly the same position. The good land values taxation does will be claimed as the fruits of the tariff, and be used to further enslave the people and to enrich the special interests protected by the tariff.

In England, however, I would urge that the essentially Radical element which believes in the principles of freedom should be supported to the utmost. The importance of keeping the British Liberal Party essentially radical cannot be too firmly pressed. It is the only hope it has of effectively serving the people of the Empire.

SOUTH AUSTRALIA

On Saturday, March 27th, we had a general election for the House of Assembly in our State Parliament, and the Labour party have been returned to power with a majority of six, the figures being:—Labour, 26; Liberals, 20. Our upper chamber, the Legislative Council, has 13 Liberals and 7 Labour Members, so it will be interesting to see how that chamber will treat the measures sent up by the Labour Government.

The result of the election proved a great surprise to the Liberal party, but they have only themselves to blame for their defeat. Although the party is known as a Liberal party it is really a conservative body, masquerading under a Liberal name.

The new Labour Government will be led by Mr. Crawford Vaughan. The policy put forth by him was one that appealed to the electors at the present juncture. There is a shortage of wheat here, owing to the effects of a very dry season, and on account of this shortage the price of bread has advanced to 5d. cash for a 2 lb. loaf, 5½d. if booked. The Labour people said this high price was due entirely to the fact that the late Liberal Government refused to fix the price of wheat, and they promised cheap bread if returned. There was also a liberal number of socialistic measures on the Labour programme:—State steamers, trawlers, brick-yards, firewood and timber yards, &c., all for the alleged purpose of cheapening the cost of commodities to the people. It is not likely that any of these things will have the desired effects, judging by the experience of other States that have tried some measure of socialism. The experience elsewhere has been to put a bigger burden of taxation upon the people.

On the question of taxation the policy of the Labour party is the best they have offered up to date. It provides for an all-round tax on land values instead of the progressive tax with the £5,000 exemption as previously advocated. It contains a provision for the reduction of railway freights and fares by charging the interest on the capital cost of construction to land values. There is also a proposal to lift the income tax exemption from £200 to £300 and to abolish certain stamp duties. These taxation proposals of course met with the hearty approval of single taxers as being a step in the right direction.

The Labour party was also pledged to put proportional representation upon the Statute Book.

E. J. CRAIGIE, Secretary.

LAND SUPER-TAX IN NEW SOUTH WALES

The Sydney correspondent of the TIMES, in a cable published on June 16th, says:—

The Governor in his speech at the opening of the New South Wales Legislature referred to the large expansion of the wheat-producing area and the introduction of a Bill imposing a super-tax on unused fertile land, whereby it is hoped that a useful area may be freed for *post bellum* settlement.

NEW ZEALAND.

The March issue of the LIBERATOR (the monthly journal of the New Zealand League) reports that a poll of the electors was taken on March 9th, in Onehunga Borough, on a proposal to adopt the rating of unimproved land values. The vote was 563 in favour and 391 against—a majority of 172 in for the proposal. This increases the number of local authorities rating land value to 133, of which 30 are raising all their rates from land values.

A poll was taken at Christchurch on March 4th, on a proposal to revert to the old system of rating. The rescinding proposal was lost by 151 votes.

CANADA

Single Taxer Mayor of Vancouver

In our March issue (p. 242) we stated that Mr. L. D. Taylor had been elected Mayor of Vancouver by a large majority in a contest where there were three other candidates, but was disqualified. It now appears that he was disqualified over a technicality. A new election was held on March 13th and Mr. Taylor was returned to office by a majority of more than one thousand over the combined votes of his two opponents. The vote stood: Taylor 5,834; Hepburn, 4,656; Whiteway, 85.

Mr. Taylor was mayor when the city of Vancouver decided to exempt all improvements from rating, and his re-election is a vindication of that policy and a guarantee that Vancouver will not go back on it.

DEATH OF MR. W. W. BUCHANAN.

We regret to have to record the death of Mr. W. W. Buchanan, which took place at Winnipeg on April 4th. He was well known as a capable and enthusiastic worker for the taxation of land values.

CANADIAN FARMERS AND TAXATION

The fortieth annual meeting of the Dominion Grange was held at Toronto on February 24th. Referring to the new taxation imposed by the Dominion Government, Mr. W. C. Good, Master of the Grange, said:—

On the one hand we are being urged to increase production, and on the other hand the burden of taxation upon agriculture—most of which never sees the public treasury—is not only not lifted, but is actually increased by the same authorities who are exhorting us to increase production! In this case there is not even the reasonable expectation of materially adding to our revenues, since many of the recent changes in the customs schedule are practically prohibitive, their net result being to enable domestic producers to tax domestic consumers. I will venture the opinion that for every dollar which the recent change in the tariff will put into the federal treasury, ten dollars of taxation will be levied upon Canadian industry. The Government might at least have considered the suggestion of the western farmers to adopt a direct tax upon land values in order to meet our requirements. This would have provided, with no uncertainty, for all our needs; and at the same time have