

THE EXAMPLE OF AUSTRALIA

(Speeches in support of the Resolutions carried at the Annual Meeting of the English League for the Taxation of Land Values, Caxton Hall, London, 11th May)

DR PAUL DANE (Melbourne) said that in Australia some progress had been made toward the economic system demanded by the resolution he was happy to support. Australia had probably gone further than any other country in giving effect to the taxation of Land Values, and that was the case more particularly in the sphere of local taxation. There were now being collected annually by taxation levied on the value of land apart from improvements local revenues to the amount of £7,700,000 while roughly about £4,000,000 was raised by the old and discredited method of assessing land and buildings together. That was the position over the Commonwealth regarded as a whole, and considerably more than half the total area of the continent that was assessed to local rates was enjoying the benefit of land value taxation for local purposes.

Besides these local taxes, there were also the State land taxes in all the States save New South Wales, which handed over its State land tax to the local authorities when local land value taxation was adopted. The State land taxes yielded about £1,000,000 altogether; and since 1910 up till this year the Commonwealth Government had also levied a Federal land tax yielding about £1,000,000. The Federal land tax had been repealed a few months ago on the plea that the field of direct taxation should be left to the States, the Federal Government relying solely on that unfortunate policy known as indirect taxation and expressed in the vicious system of Customs duties.

In Queensland the whole of the rates assessed by urban and country authorities were levied on land value. The local taxation of buildings and improvements had been unknown for the past 30 years. In New South Wales all but an insignificant portion of the municipal and shire tax-revenue came from land values, and the system of taxing improvements was in force only in respect of the rates levied by the separate boards for water and sewerage in the Sydney and Hunter District areas.

In Victoria a beginning had been made with land value rating and the progress there dated from 1920 when the enabling legislation really became operative. They had now six cities, five towns and two shires where the system had been adopted and of the cities and towns six were suburban municipalities on the outskirts of Melbourne. But Melbourne itself still continued on the old system and it was in comparing Melbourne with Sydney, and Victoria generally with New South Wales and Queensland generally, that the most instructive lessons were to be learned. With regard to the other States South Australia and West Australia also had their enabling legislation (which might well be amended to give ratepayers a better chance to express their mind in the matter) and at present South Australia raised about one-fifth and West Australia about two-fifths of local taxation from land values. Tasmania had as yet no legislation empowering a council to rate land values, although the city councils of both Hobart and Launceston had formally resolved that such powers should be conferred on the local authorities.

"I cannot claim," Dr Dane said, "that everything I am going to tell you is the result purely of the rating

or New South Wales for some years. It might be asserted and it is asserted that this is due to other factors; yet if the figures were the other way round our opponents would eagerly seize upon them to throw them in our teeth. It is plain to an unprejudiced mind that where houses and factories are not taxed and land value is taxed, there will be a tendency for better buildings to be erected, that a natural town planning will take place and that in consequence more healthy conditions will ensue.

"Comparing the housing conditions of New South Wales and Victoria as strictly comparable States, we find that during the 11 years, 1910-1921, New South Wales built more houses absolutely and relatively than Victoria; that one-roomed houses in New South Wales decreased in a much larger proportion than in Victoria; and that four, five and six-roomed houses increased both absolutely and relatively in a larger proportion than in Victoria. We also find that New South Wales built more brick houses than Victoria—the net result being that the houses in New South Wales, where they were not taxed, were on the whole bigger and better than in Victoria.

"Another noticeable circumstance is that along the River Murray which divides New South Wales and Victoria, there are a number of towns and these towns are as it were double towns. One portion is in New South Wales and the other in Victoria. They generally go under different names; but it is to be remarked in nearly every case that the towns on the Victoria side are not by any means so well built or paved or improved as the towns on the New South Wales side.

"In Sydney, New South Wales, a noticeable effect is that since the rating of land values was adopted the city is spreading out more evenly in natural zones and we have it on the authority of the Chief Medical Officer of Sydney that there are now no slums in that city. The same cannot be said of Melbourne where slums still exist.

"Coming down to Victoria, we have around Melbourne the six municipalities I have already mentioned as rating land values. This is a recent development as I have said. Yet already the building statistics for these places over the last, five, four, three and two years show that they are building more houses than the seven largest comparable municipalities that still tax houses; and in some of the years our six land-value-rating cities have built more than the eight leading cities that still maintain the old and penalizing system.

"Where land value rating is adopted and tried, the people never revert to the old system. In South Australia such attempts have been made by appealing to a poll of ratepayers, but they have failed. In Victoria we have had two such attempts. In one case the Council wished to revert and passed a resolution, but within two days the ratepayers had signed the necessary petition and they beat the Council by a large majority. In the Greater Brisbane Council, Queensland, the landed interests agitated to have the rates for sewage levied on land and buildings, in order to reduce the taxes on the land itself. This was defeated largely at the instance of that stalwart, George Hardacre, who worked for many years to uphold the system inaugurated by Sir Samuel Griffiths.

"We see in this agitation for the rating of land values which we are pushing with all our might in Victoria, not merely the immediate results, which can only be limited to the sphere of local taxation. We see in it a

value of things produced by labour. We are spreading the realization of what is possible by the abolition of taxes on trade and industry, securing to the the community the whole value of land and removing the last impediment to human freedom. You may think we find it an easy thing to carry on this propaganda in Australia. It is on the contrary a very difficult task and although the local rating of land value may not achieve more than a little by itself, the ferocity with which it is fought in and around Melbourne shows that it is the thin end of the wedge; it shows that the land monopolists and land speculators know that if the people get a knowledge of this principle it will gradually advance until the speculator's hold on the land is loosened, and an ever fuller measure of liberty for labour and industry will be attained."

Mr PERCY HARRIS, L.C.C., M.P., said: More and more during the last 25 years local government had been developing, and local expenditure had been increasing. Our present system of rating was breaking down; it was destroying industry. Although most of the expenditure was good and sound, it was totally insufficient. It was a very significant thing the other day that in a discussion at the London County Council one of the leaders of the London Municipal Society and Municipal Reform Party on the L.C.C., Mr. Ray, frankly admitted the urgent need and necessity for a complete change in our rating system. Some of them raised the question of Taxation of Land Values and the relief of improvements from rates, and they had succeeded in having a resolution adopted by the L.C.C. in favour of an inquiry. They had sent an official communication to Sydney asking for a report on the land value rating system in that City.

They all knew Alderman Firth's excellent pamphlet on Sydney. It was sent to every member of the L.C.C. and it had made a deep impression. Concluding, Mr Harris said he was glad the resolution applied to all local rating authorities. Nothing was more fatal than to treat this as a purely urban question. His Liberal friends took the wrong turning in that respect and he wished to see them put straight.

Mr A. VALENTINE (Melbourne) said he spoke as an Australian and declared with every assurance that the taxation of Land Values and the steps taken on that principle in Australia had been a success. In New South Wales they took about 25 per cent of the unimproved land value each year for rating purposes, and the effect has been to promote industry in the country districts as well as in the towns, just as Dr Paul Dane had explained. They did not expect to get 100 per cent results from a 25 per cent operation; but they had got all they expected to get so far. He came from the great city of Melbourne where they still continued to tax under the old system although there were several places near Melbourne, local bodies which are cities, such as Brunswick, Coburg, and Camberwell which had adopted the new system. A few country electorates had tried the same plan and they were so pleased with it that nothing could move them to go back to the old system. A striking example of the growth of public sentiment in favour of the view that land value was a public value and should go to the community was provided by their new Federal capital Canberra. The land was held from the public authority on lease and the rent payable was fixed by periodic revaluations.

Mr LOUIS P. JACOBS said they had had a field night so far as Australia was concerned and as an Australian he rejoiced in all that good progress. He had been in the home country since 1914 and was closely associated with the movement at home, where it was a matter of concern to all present to see practical advance along their lines. They had a clear and unanswerable case;

they had carried on an incessant educational campaign but nothing so far stood on the statute book. No doubt in this country the power of the vested interests to hold back reform was incomparably greater and the conspiracy of silence in the Press was far more complete. He thought that something could be done at this time by inserting paid advertisements in the newspapers inviting people to study the literature of the movement and he put forward the suggestion for consideration. This question of getting new adherents, new supporters who would take an active part in our educational campaign, was important. If a plan could be worked out for challenging the help of others he would do what he could to support the challenge. The League deserved the co-operation of every interested person and to the President he wished to say how grateful they all were to him for the tenacity, for the enthusiasm and the constancy, with which in season and out of season he supported the movement.

Mr JOHN PAUL, speaking to the second resolution, said at the next general election there would be a stand made for land purchase one way and another. They would have to oppose that; they would have to keep in line with the movement at home and abroad. The politicians were anxious to get at the farmer, and alleged the farmer would not have a tax on land values. The politician had the big farmer in mind who was Conservative in the main. But the appeal must be to the farm labourer, to show him how the taxation of land values will break up land monopoly in the rural districts. Some years ago they had Mr Outhwaite in Wiltshire on a rural campaign on which they concentrated for two months. With the help, the enthusiastic help, of local workers they had got a Petition signed by 12,000 electors, requesting Parliament to levy a national tax on land values and to pass an Act for local land value rating. The Petition and the campaign in connection with it had roused an agricultural district to a powerful demand by their principle and policy. That support can be obtained in full measure in the agricultural districts at any time, given the finance that will make such campaigns possible. The sentiment for our ideas is more widespread, more informed and much readier to respond than ever before but it required organizing and directing. The opportunities for propaganda were immense. The national tax on land values was the way to valuation and the direct road to the change in local rating they demanded. So it had proved in Denmark. If the valuation of land apart from improvements had been made available to the local authorities they would be in a very different position. He ventured to think they would quickly emulate and outdistance all other places where the reform had been carried, not only by inspiring propaganda but also by no less inspiring legislative achievement.

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