

and cheering to the movement in this country to hear the account of the work in Sydney, New South Wales and Queensland. Australia was a grand country, and it was a wonderful place with their new system of rating. It had helped Sydney greatly and she hoped the time would come ere long when they in England would have the same system. She hoped their work would progress, and that if ever they came back to England again they would find it enjoying the Sydney system of rating. She thanked them heartily for all they had said that evening.

The other speakers were Fredk. Verinder, Alderman F. C. R. Douglas, and P. Wilson Raffan, J.P. Thereafter the informal conversations were resumed and so ended one of the happiest of evenings at 11, Tothill Street.

On Thursday morning, 23rd July, our friends left Southampton for New York, on the "George Washington," where they will be welcomed by the Manhattan Single Tax Club.

LAND VALUES TAXATION IN THE DOMINIONS

(Reprinted from the Labour Year Book, 1925)

The principles of Land Value taxation, which would make the market value of land apart from improvements a basis and source of public revenue in lieu of other taxes, have been practically applied in more or less degree in most of the British Dominions.

The following is a brief survey of legislation adopted:—

New Zealand

The Rating of Unimproved Value Act of 1896 gave optional powers to local authorities to levy their general rate on Land Value only, improvements to be correspondingly exempted. In 1911 an amending Act increased these powers and enabled local authorities to levy *all* local taxation on Land Value. The question of thus changing the basis of taxation is decided by a referendum of ratepayers. The number of local authorities that tax Land Value has steadily increased from year to year and the system is now (1924) in force in 68 of the 118 boroughs, in 49 of the 129 counties, and in 32 of the 74 town districts.

Queensland

The exemption of improvements from taxation was first partly recognized in 1879. The Valuation and Rating Act of 1890 gave full effect to the local taxation of Land Value and was confirmed in the Local Authorities Act of 1902 which provided that *all* local taxation (excepting for the sanitary service which is charged by scale) must be levied on Land Value and all improvements must be exempted. The adoption of the system was obligatory on all local authorities.

New South Wales

The law provided in 1905 that the shires and municipalities, excepting the inner part of Sydney called the City, were obliged to levy local taxation on Land Value at the rate of not less than 1d. in the £ (selling value) and had the option to obtain any further part of their rate-revenue by taxing Land Value. Within a couple of years practically every local authority took full advantage of this option and ceased to tax improvements. The system is now almost universal in its application through the State, except that it does not apply to the water and sewerage rates of the Sydney district and the Newcastle district which are collected by independent Boards and are levied on the annual rental value of land and improvements.

The City of Sydney in 1908, under a separate Act, began the reform of its municipal rating system by

levying a local Land Value tax of 1d. in the £. In 1916 it abolished all taxation of improvements and came into line with the rest of Sydney and with all N.S.W. municipalities by placing all its local taxation on Land Value.

Victoria

Nine towns and shires have put into operation the provisions of the 1920 Act which empowers local authorities to raise a large part of the local revenue by taxing Land Value. A certain procedure has to be followed by resolution in Council and by referendum and some dozen other towns and shires are at present taking these necessary steps to put the Act in force. The system will, therefore, presently be in operation in about twenty local areas.

South Australia

The Land Values Assessment Act of 1893 gave power to municipalities to rate Land Value only, but the provisions for taking a poll of ratepayers seriously restrict the exercise of these powers. Nevertheless the Act has been adopted by 13 municipalities, including Port Adelaide, and has been confirmed on the two occasions on which attempts were made to revert to the old system.

Western Australia

The Road Districts (Shires or Counties) must make a valuation of land apart from improvements once a year and must levy their local taxes on Land Value. In town sites within the Road Districts the local authorities have the option to rate either on Land Value or on the annual rental value of land and improvements. But in no event can taxation be levied on improvements on agricultural land.

Transvaal

Since 1916 municipalities and village councils have been obliged to tax Land Values at least 1d. in the £ more than they tax improvements and they have the option to transfer more taxes to Land Values to the relief of improvements. Eight of the eighteen towns in the Transvaal levy *all* their taxes on Land Value, chief among them Johannesburg, the largest city in South Africa. Most of the other towns and the majority of the village councils tax Land Value more than the required minimum.

Cape Province

A municipal Ordinance of 1918 gave local authorities the power to increase taxation on Land Value and reduce taxation on improvements. The towns of East London and Cambridge have made liberal use of these powers. The system has been in force there since 1919 and Cambridge has placed all its taxation on Land Value. Throughout the Province, in town and country alike, a valuation is made every five years showing separately the market value of land apart from improvements.

Natal

The Corporation of Durban resolved on 29th October, 1923, to reduce the taxation of improvements through a measure of Land Value rating and there is now in operation a rate of 6d. in the £ on Land Value and 3d. in the £ on buildings. This decision was arrived at on the recommendation of a special Committee of the Council whose report is one of the most informing official documents ever issued on the principle and policy of Land Value taxation.

Canada

In the rural municipalities of Manitoba, Land Value has been the basis of local taxation for twenty years or more. In Manitoba towns and cities, taxes on Land Value are the chief source of revenue, improvements

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being taxed to a less degree; in some cases there are also business and licence taxes. In Winnipeg the land is assessed at its full value and improvements at two-thirds value. The cost and upkeep of the new water supply for the Greater Winnipeg Water District is being met by a special levy on the value of the land apart from improvements.

In Saskatchewan, the local authorities of the cities, towns, and villages assess the land on its full value while buildings are assessed only on a certain percentage of their value, which must not be more than 60 per cent and may be considerably less. Prince Albert, for example, assesses improvements at 45 per cent of their value, Saskatoon at 35 per cent and Regina at 30 per cent. In rural municipalities the taxes are levied only on Land Value, except that buildings used for other than purely agricultural purposes may be assessed, although at not more than 60 per cent of actual value.

In Alberta, the position is practically the same as in Saskatchewan; in some rural sparsely populated municipalities, however, the taxes are levied on an acreage basis.

In British Columbia, the "city" and the "district" municipalities have local option in taxation, subject to the condition that they must not assess improvements for taxation at more than 50 per cent of their value. In twenty-eight of the sixty-three municipalities, Land Value is the sole basis of taxation; in seven municipalities improvements are assessed at less than half their value; in the other municipalities they are assessed at half their value. In all cases the land is taxed at its full selling value.

In the four Canadian Provinces named, there are also provincial taxes levied on the value of unoccupied land with the object of preventing speculation and monopoly. The special provisions of the Tax Recovery Acts in these Provinces have contributed materially to the effective and beneficial operation of the Land Value taxation in force. On that matter as on all matters dealing with the progress of the reform in legislation, the reader may be referred to the informing reports published from time to time in *LAND & LIBERTY*.

"LAND TENURE AND UNEMPLOYMENT"*

It would be difficult to give in short compass an idea of the scope of this book just published bearing the above title. Its 256 pages in themselves form a remarkable condensation. It consists of a preface and 16 chapters, the preface being written by Mr. A. S. Comyns Carr, K.C., and containing this remarkable passage:—

There is a tendency nowadays among a certain school of economists and social reformers to overlook the important part which the land question plays in problems of to-day; because it is seen that in a great many cases the actual price or rent of land forms but a small proportion of the value of the property which is erected upon it there is a tendency to assume that an improvement in our land system could produce but small results. This appears to me to be a fallacy for several reasons. In the first place, all forms of wealth, when traced to their source, are products of the soil, and one should look at the toll which the ownership of land has levied upon them at every stage of production in order to form an idea of its importance . . . even if rent is only a small proportion of the total cost of production, it is just that element which forms the decisive factor in producing stagnation and unemployment. It is an interesting

speculation to consider how differently the great industrial development of this country might have worked out if it had not been preceded and accompanied by the vast enclosures of land to which Mr. Geary calls attention.

Chapter I., entitled "The Problem," is a clear examination of the nature of unemployment. It shows that unemployment is not a natural affliction, like measles or mosquitoes, to which mankind is subject—that it does not arise unless certain laws—laws of nature, laws of justice—are transgressed. The striking statement: "Supply of labour apparently in excess of the demand—actually demand is ahead of supply," is shown to be the natural order of things (p. 15).

Chapters II. to XIV. are mainly historical, beginning with Saxon England and continuing right up to the present date. It will surprise many readers to know up to how recent a date and upon how large a scale the enclosure of common land—the usurpation of national and individual rights—has been continued. The connection between this usurpation and the growth of poverty and unemployment is shown with singular clearness and force.

The well-known authorities are quoted freely (Thorold Rogers, E. C. K. Gonner, Garnier and Gilbert Slater), and also much information is drawn from very extensive resources which are comparatively little known, and the book bears evidence of very great preparation.

That there has been a sort of "golden age" for the bulk of the people is clear, and it is equally clear that poverty has accompanied the conversion of natural rights into private monopoly. Some idea of the ethics of those who sought to add field to field can be obtained from a publication of 1727, "The Duty of a Steward to his Lord." Here we are told that "The Steward should endeavour to lay all the small farms, let to poor indigent people, to the great ones. . . . It is unwise to unite farms all at once, because of the odium and increase of Poor Rates." Resort to the meanest trickery to get small freeholders to sell is within the writer's conception of "duty."

In spite of improvements in working and appliances, of the system of rotation of crops, of introduction of new varieties of plants and animals, farming would seem always to have been in a bad way. In the 18th and 19th centuries there have been various Government Commissions to inquire into agricultural distress. The one thing which the Commissions do not seem to have dealt with is that land values were rising nearly all the time.

Chapter XIV. is devoted to Scotland, and, naturally, contains reference to the "Highland Clearances" of the 19th century, which cannot be read without a flush of shame and anger, even when one knows something of the circumstances already.

Chapter XV. deals with private ownership of land as affecting the efficient working of minerals. Some portion of this is slightly difficult and technical—it is drawn from the Reports of the Acquisition and Valuation of Land Committee and of the Coal Industry Commission—but it makes interesting and profitable reading, especially as it deals with points less well known to our readers than other aspects of the land question.

This section contains extracts from the examination of Mr. J. Dewrance, Chairman of certain coal companies in Kent, and of Mr. H. F. Plumpton, landlord of a part of the area prospected for coal. These questions are by Mr. Robert Smillie. GEORGE CROSOER.

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* *LAND TENURE AND UNEMPLOYMENT*. By Frank Geary, B.Sc. George Allen & Unwin, Ltd., London. Price, 10s. 6d.