

## SOUTH AUSTRALIA

### A HOSTILE MOVE DEFEATED

A sinister attempt has been made in recent months to abolish that section of the Local Government Act which gives local government bodies the power to raise their revenue from the unimproved value of land if they so desire. Many country councils rating on that principle found they had great difficulty under the existing Act to raise the rate revenue they needed to defray the cost of social services. This was due to the fact that the poundage of the general rate on the capital value of the land apart from improvements was limited so as not to produce more than would be produced by a rate of 1s. in the £ of the annual value of land and buildings taken together. Moreover, the land-value assessments in those localities were lower than they should be. To overcome this problem certain councils asked that the rating limit be increased by an amendment of the Local Government Act. Instead of giving effect to this request the Government referred the matter to the Local Government Advisory Committee which reported in favour of what it was pleased to call a "composite" system, and suggested the Act be amended to put this new system in operation in ALL local government bodies in July, 1950.

The committee paid no regard to the fact that at present twenty-two councils in South Australia now rate on land values, but suggested in its report that the system of taxing improvements should be forced on all councils, without giving them the right of taking a poll of ratepayers—a right enjoyed under the present Act.

Copies of the committee's report were circulated to the 143 local government bodies throughout the State, requesting their views on the matter. Fifty replied favouring the system (all now rating on improvements), 45 were against it, 7 were indefinite, and 20 did not reply. The weight of council opinion being against the new proposal the Government did not go on with it. Instead it introduced an amendment of the Act to raise the general rate limit to produce revenue that would be produced by a rate of 1s. 4d. in the £ of annual composite value; and the special rate to what a rate of 4d. in the £ of annual composite value would produce. This new limit now applies to district councils as well as municipal corporations. The amendment should ease the position so far as those councils that were financially embarrassed are concerned.

The Bill passed all stages in both Houses without a division being taken. For the present a victory for land values rating has been secured.

The Port Lincoln and Renmark councils, and the Whyalla Town Commission, did good work in arousing other councils to the danger of the proposed change. Mr. E. J. Craigie also wrote to many councils, and to the press, interviewed councillors and members of Parliament, addressed two meetings in the metropolitan area on the subject, and prepared a comprehensive reply to the report of the Local Government Committee.

### PRESS PUBLICITY

It is not possible to publish in full, or indeed, to make mention of the many letters written by supporters which are published in the local and national press. Below we give extracts from some which have recently appeared.

The Rating of Land Values is simple, effective and equitable. Some immediate advantages would be that people wishing to extend or improve their premises could do so freely without fear of the penalty now imposed on such activity and such land as it nominally classes as agricultural (and therefore now exempt from rates) which has acquired a much greater value as building land, would have to contribute its fair share to the common purse.—*J. Wise, "Manchester Evening News."*

Will your correspondent, E. S. Daniels, remember the large estates of fertile land lying fallow before stating that all land worth cultivating is in use? Will he consider again the devastating flood of new mouths that pours into the world every day? Will he remember that each mouth is accompanied by a pair of hands which may put to good use the

unused land, and a brain that can be encouraged to develop a mind not afraid to understand and attack the causes of any problem facing it?

The cause of poverty is not the shortage of cultivable land but the withholding of this land from use; it is not the excess of population, but the inability of the population to gain access to all natural resources.

Some, knowing this, are content to attack the effects of this misappropriation of land and try to remedy it by the redistribution of wealth. Others are determined to attack the cause.

They realise that the remedy lies in unhampered exchange and in free access for all to natural resources.—*E. A. Hutson, "Muswell Hill Record."*

The selling price of land in the country is generally round about £100 per acre, in large cities such as Manchester it sells from anything up to £500,000. It seems therefore, that as the value of land is created communally it should be used to defray the community's expenses; roads, lighting, schools, etc. Further, because vacant properties and sites bear no rates those people who make good use of land have to pay more than they would were the whole of the land rated according to its value. The Derating Act of 1929 (relieving factories and agricultural land of rates) merely aggravated the situation by throwing a greater burden on the ordinary householder.—*Betty Noble, "Manchester Evening News," January 21.*

Given freedom from the insidious forms of Socialism and State Control which all parties alike are permitting in varying degrees to creep like bind weeds into the heart of our social life, the land rent fund would easily suffice for the requirements of the Exchequer. None of the parties recognise the ethical distinction between property in the gifts of nature and property in the things that are the work of man's hands.—*J. TUCKER, Muswell Hill Record.*

The motor-car industry and the shipbuilding industry and in fact every other industry which uses steel has to buy dear British steel, and then try to compete with foreign firms using cheap foreign steel. Some can manage, others demand protection to give them a home market free from competition. So the mad scramble continues with the poor consumer taking the proverbial "can back," and wondering why prices are so high, why profits are so high, and why wages are so low.—*H. POLLARD, Fulham Gazette.*

All men have an equal right to land and it is the legal denial of this normal and natural right that is the cause of all our economic and most of our social ills. Once it is proved conclusively that the private appropriation of economic rent is the cause of unequal distribution of wealth, low wages, slums, wars and crime, it is simple to prove the case for Land Value Taxation. This is merely an instrument which, recognising that economic rent is a natural phenomenon, restores to the community the value it creates.—*P. STUBBINGS, L.T.R. Review.*

If there were a tax, rate or rent charged on all land that has a site value, whether it is used or not, the owners would wish to recover such charge by making sure that their land is put to its most profitable use and much land would become available for the thousands of people who at present are unable to acquire any for the purpose of growing food or for the erection of small factories or houses.—*J. S. MILLER, Sutton and Cheam Herald.*

To-day Salford is being led on the road to financial "hari-kari" and of retrogressive Town Planning for the sake of giving immediate help of a fraction of their badly housed population. Would it not be far better and nobler for Salford to start a Crusade jointly with other truly progressive cities, who are suffering similarly, to make the Government bring in quickly a reform of our present evil land system?—*SYDNEY NEEDOFF, Salford City Reporter.*

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