

land values in order to reduce the taxes on consumption and incomes earned by labor?

(3) That all custom duties be abolished and full free trade introduced, while the new revenues to the state in the main be raised by increasing the tax on land values?

The candidates from the *Moderate Left* did not answer at all. The fact is, some of the candidates to some degree are in favor of taxation and rating of land values, while others are sharply in opposition.

The *Conservatives* answered No to all the questions.

The *Radicals* mostly answered Yes, though with some reservations in regard to free trade, which they wanted enforced at a later date. Some of the candidates pointed to the Radical programme, which calls for the taxation of land values. Full free trade is to be aimed at by and by.

The position of the party may be given by an utterance of a leading Radical ex-minister, Dr. P. Munch: "We advocate that the present taxation of real estate be changed into taxation of land values but we do not believe that the confiscation of the entire ground rent for the public is going to have such great social effects as the "Party of Justice" believes."

It is true, that prominent members of the Radical Party as J. E. Lange, S. Berthelsen, and a member of Parliament, Niels Fredriksen, are of different opinion in regard to the effects of taxation of land values, but the practical policy of the party has always been conducted on the lines given of Dr. P. Munch, Zahle and Rode, the leading ministers in the period 1913-20.

The *Social-Democrats* were more careful with their answers, though they all were of a positive character. The position of the party may be summed up thus: In favor of taxation of land values and against indirect taxes upon necessities of life. In *Social Demokraten*, of April 29, 1924, Mr. Dr. Bording, Minister of Agriculture, answers the question: "Is the Government going to extend the taxation of land values"? thus:

"I think so. Taxation and rating of land values in the right measure will bring down land values and facilitate the agricultural laborers of small means the access to their natural occupation, the tilling of the soil on their small holdings. I do not however agree with the Single Taxers, that the ground rent only can give enough to cover all the economic obligation of the community."

Mr. K. Steincke, an expert on social legislation, now Minister of Justice has for several years been an able advocate of taxation of land values.

Retspartiet, the new apparition in Danish politics, has taken a firm stand upon confiscation of the entire ground rent for the community, the abolition of all taxes upon the products and incomes of labor together with the limitation of state functions. Several of their candidates went further than the questions of the H. G. Union indicated.

In 1879 the Social-Democrats got 767 votes in their first

election. In 1924 it has become a Government Party. The Party of Justice got 12,643 votes, a pretty good showing, when considered that it had no daily press, no party machine, and very little money. A few thousand crowns was all that was used all over the entire country. All the funds given were published in the papers. Except some local disappointments the result is what was to be expected. Where solid work has been done, there also were votes. In Aarhus Amt the Rev. Geert Jorgensen got 1,687, and in one of the three districts in Copenhagen, a merchant, Mr. J. Brostrom, got 1,309. Of the total number of votes the Party of Justice got about 1 per cent. Many people were afraid to vote with a little Party fearing for the loss of their votes. The next thing to do is to get a daily paper in order to educate the people to get a daily paper in order to educate the people to get a daily paper in order to educate the people to get a daily paper. Otherwise the work will be difficult. The propaganda of our present daily press in regard to protection, regulation of imports, the false doctrine of "the balance of trade," etc., is felt everywhere and is influencing the politicians in the different parties.

Still, to sum up, the election of April 11th is a little step towards liberation of the working people from the chains of land monopoly, as it is anticipated that the Government this Fall is going to propose an extension of the taxation of land values. But some of the Single Taxers are afraid that we are entering into the bondage of public administration and regulation. The last condition may be worse than the first. Still Single Taxers are prepared to fight this tendency.

ABEL BRINK.

The Single Tax In Australia

OUR ANNUAL PICNIC

THE Single Tax movement has been displaying such unwonted activity since the commencement of the year, and the newspapers generally have opened their columns so liberally to the exponents of the principle, that, with other business interfering, I have been unable to send you a budget for some time past. The news I have to record is for the most part only of an educative character. Yet it is education that will give us our final triumph over the forces of obstruction and the powers that be. We began the year with a picnic at Nielsen Park, a favorite resort on the harbor where we generally spend a few hours in each other's company once every twelve months. On this occasion we were threatened that, if we dared to open our mouths in the way of political speech making, we would be duly prosecuted according to law! The threat smacked so much of mediaevalism, and of a system of persecution that has long been played out, that it was decided to take no notice of it, and to follow our usual course of outlining the policy of the League for the ensuing year.

Hitherto the papers have not treated us very seriously and have given the minimum amount of space to our reports, but on this occasion the *Herald*, which is the lead-

ing most Conservative paper here, gave us a fair amount of space. The principal speaker was the Hon. H. F. Hardacre, a Land Court Judge in Queensland, who told us that in the northern State the feeling in favor of land value taxation had permeated the working classes, and was more in evidence than anywhere else in the world. Queensland, we knew, had been the first to apply the principle in the municipal sphere, New South Wales not following her example till several years afterwards. In Queensland the water and sewerage rates are also levied on land values, a reform which has yet to come in N. S. W. so far as Sydney and Newcastle districts are concerned, although it may be, and is, applied elsewhere throughout the State.

THE EVILS OF EXEMPTION

But they have the same grievance in Queensland as in every other part of the Commonwealth, land value taxation as imposed by the Federal Parliament being marred by exemptions and graduations which have done an immense amount of injury to the principle as applied outside of the municipal sphere. It is these exemptions and graduations that are responsible for the growth of land monopoly in Australia, for the fact that vast acres of land are held out of use, for the consequent difficulty of obtaining land at a reasonable price, for the further fact that the State railways run past hundreds of miles of vacant land and lose over a million pounds a year in railway fares as a result. Finally, the system of exemption and graduations is the principal reason why our immigration policy has proved, and must necessarily prove, a failure so long as the present system prevails. "If", said Mr. Hardacre, "these exemptions and graduations were abolished, and land value taxation were levied on a uniform basis, and at the same time all other taxes were done away with, people would see what enormous advantages flowed from placing taxation on sound economic and scientific lines."

Queensland and New South Wales are, so far, the only States in Australia where the municipal rates are entirely derived from land values, with the result that buildings are going up on all sides in the two States named, Brisbane and Sydney being especially noted for the wonderful improvements that are being erected all over the place. Exactly the opposite result is noticeable in Melbourne where the rates are mainly levied on improvements. Mr. Hardacre and many others who have visited Melbourne recently having been particularly struck by the difference between the two cities in this respect. In the municipal sphere, at any rate, the rate is always levied on a uniform basis, as it should be, in the State and Federal spheres.

I particularly want to warn Single Taxers in America of the evils which have resulted in Australia, and which necessarily result, from the adoption of exemptions and graduations. I count him an enemy to the Single Tax movement who advocates such a pernicious principle, and

I feel sure that if he knew what evil results had followed upon its adoption here he would denounce it to the utmost of his power. And the reason is clear, since it runs counter to the fundamental principle of the Single Tax, which is that land values, having been directly created solely by the presence and needs of the people, belong by right to the people and should be appropriated on behalf of the people—not exempting some from its operation because they happen to be poor, but treating all alike, the owners of land having but little value paying but little, while the owners of land having a greater value pay a much greater amount.

THE "BULL RING" LEAFLET.

Reference has been made to the fact that the water and sewerage rates are levied in Queensland on land values. For some time past the Sydney Free Trade and Land Values League has been concentrating its efforts in an endeavour to get the same system applied in the Sydney and Newcastle districts. A separate league was formed some time ago for the exclusive purpose of advocating this reform, numerous meetings were held throughout the two districts, in connection with it, at which our energetic Secretary (Mr. A. G. Huie), frequently supported by Ald. Brown, delivered countless addresses, and a special leaflet was written by the former, of which three editions have been issued, each treating the subject in a humorous and very readable way. About 80,000 copies have been distributed so far.

To show what remarkable activity has been displayed in this campaign I need only state that over 130 public bodies officially signed petitions to Parliament in favor of the reform, including 58 Progress Associations, 26 Trades Unions, and 24 Municipal and Shire Councils. Under the Local Government Act country councils outside of the Sydney and Newcastle districts have the power to impose their water rates on unimproved land values, 47 of them rate on this basis, and the Sydney and Newcastle districts want to know why they should be prevented from adopting a principle that has proved so satisfactory elsewhere.

The "Bull Ring" leaflet which we have printed and distributed derives its name from the fact, as explained in the introduction, that an "Officers' Conference", more popularly known as the "Bull Ring", was formerly the method of dealing with reported offences against the very numerous police regulations by rank and file members of the police force. The Metropolitan Superintendent would be in the chair, with his sub-inspectors sitting round, as delinquents were brought in and dealt with. It was a sort of weekly court privately held to summarily deal with offenders. It was finally abolished by Mr. Mitchell, the present Inspector General, who considered it an obsolete and vexatious method of dealing with the alleged offences of members of the force. The leaflet applies this obsolete method of dealing with offences to show how ratepayers are punished

by the Water Board for the crime of improving their land. All the "imaginary" cases dealt with in the report are founded on actual facts in the districts named. Here are a few specimens which show how the present system of levying water and sewerage rates on the improved, instead of on the unimproved, value of land penalises the unfortunate owners.

YOUNG MAN, FARLEIGH STREET, ASHFIELD.

The President: "What brings you here, young man?"

The Young Man: "Well, sir, I wanted a house."

The President: "And what did you want a house for?"

The Young Man (blushing): "You see, sir, I got married, and we needed a home."

The President: "The old, old story. You will do such things. The rates will go up from 16/3 to £6/13/3."

The Young Man: "It's a penalty on marriage. These rates should be on unimproved values."

The President (hastily to messenger): "Remove him."

MANAGER, MARRICKVILLE WOOLLEN MILLS.

The President: "You here again so soon. We dealt with you last year."

The Manager: "The growth of our business compelled us to largely add to our factory. We spent——"

The President: "We don't care what you spent. Your W. & S. Rates are increased by £93/8/9."

The Victim (a bit staggered): "Great Scott, what will our directors say. How do you rate that fine block of idle land adjoining."

The President: "It's no business of yours. They have not yet been guilty of building. You must help us to make up heavy losses on vacant land."

PROPRIETOR, TENNIS COURTS, MARRICKVILLE.

The President: "What brings you here?"

Owner: "Well, I have been improving a piece of waste land adjoining my place by fixing up several tennis courts, so that the young people of the locality can have a friendly game."

The President: "We will put up your rates from £5/12/9 to £15/15/3. You can pass it on to the young people."

MUDDLE-HEADED ECONOMICS

If the best kind of propaganda, as most people will admit, is a newspaper controversy then the Single Taxers of New South Wales have been specially favored this year, no less than half a dozen having been waged in the Sydney papers, and in each of them our side came out with flying colors. The first and most important was the result of an

address delivered at the annual meeting of the Sydney Chamber of Commerce by Mr. S. G. Kerr, the retiring President, who declared that Australia was not paying her way. A nation's imports, he said, are paid for by its exports, and, as Australia last year imported £131,000,000 worth of goods and only exported £118,000,000 worth, there was an adverse balance against us of nearly £14,000,000! "Should this continue," he declared, "Australia must ultimately become a bankrupt country, because in addition to paying for our imports by our exports we have to pay the interest on our indebtedness—Federal, State and private—which must approximate, if it does not exceed, £100,000,000." To which Mr. Huie replied by pointing out that, according to Mr. Kerr, an excess of wealth coming into the country meant an injury to it, whereas pouring wealth out of the country enriched it! "If Mr. Kerr were to carry on his business on such lines," said Mr. Huie, "he would soon be bankrupt, yet he wants the country to do it!"

This effectually silenced Mr. Kerr, but his successor in the presidential chair (Mr. Chas. Ludovici) made both himself and the Chamber which he represents ridiculous. Almost immediately afterwards the Chamber unanimously passed a resolution expressing "alarm at the possibility of the manufacture and construction of the harbor bridge passing out of the hands of Australian workers, wholly or in chief part," and declaring that, if it did, millions of money in wages would be lost to the community, and Australian workers would be unjustly slighted. This, in face of the fact that tenders had been called outside of Australia, and that a number of leading shipbuilding firms in England and America had gone to great expense and trouble in forwarding tenders in answer to the appeal! The Newcastle City Council passed a resolution to a similar effect and sent it round to all the Councils asking their co-operation in an endeavor practically to force the hands of the Government in accepting an Australian tender.

In the course of a lengthy reply Mr. Huie showed clearly that all the talk about the loss of millions in wages was arrant nonsense, since the bridge would be built in any case almost entirely with Australian labor, and whatever materials had to be imported would have to be paid for by the products of Australian labor. During the controversy which ensued the President of the Chamber (Mr. Ludovici) declared that Mr. Huie's contention that imports were more important than exports was disproved by the fact (!) that "England became the wealthiest nation in the world because her exports exceeded her imports." Whereupon Mr. Huie administered the coup de grace by quoting from the Financial Reform Almanac to the effect that, for the 60 years preceding the recent war, the United Kingdom had an excess of imports over exports of £100,000,000 a year. This practically closed the controversy, and left the readers with the impression that the Presidents of the Sydney Chamber of Manufacturers, the great

champion of Protection in this country, knew absolutely nothing about the subject on which they professed to be better informed than anyone else.

Before leaving the subject of the harbor bridge—the contract for which, by the way, went to the English firm of Dorman Long & Co., for something over £4,000,000—it should be mentioned that a third of the cost of construction is being defrayed by a tax of $\frac{1}{2}$ d in the £ on the unimproved capital value (the u. c. v.) of land situated in Sydney and in the suburban municipalities directly served by the construction of the bridge, while the other two-thirds will be paid by the Railway Commissioners, whose receipts will in consequence be largely increased. This, of course, is a step in the right direction, but it is only a step. What the Single Taxers of the New South Wales aim at is a tax on all the land values of the Commonwealth to pay the interests on the cost of the construction of public utilities, such as the railways and tramways—which in Australia, of course, are run by the Government,—works of irrigation, water conservation, and defence, etc., which are now paid out of Customs or Income taxation or, worse still, out of borrowed money for which a heavy interest has to be periodically found.

OTHER NEWSPAPER CONTROVERSIES

Another newspaper controversy, which excited a good deal of interest at the time, was started by Dr. Arthur, M. L.A., who has forsaken medicine for politics, and deluges the press with contributions on all sorts of subjects, mostly of a philanthropic type. He regaled the readers of the *Herald* and *Telegraph* with this poser: "How can a man with a wife and from four to eight children carry on under a basic wage meant only for a man with a wife and two children?"

This elicited numerous answers, but none more convincing than those from Single Taxers, who showed the fallacy of a wage based on the cost of living instead of on the value of the work done. They pointed out that the real cure was to be found in the taxation of land values apart from improvements which would open up the land to labor and enable labor to employ itself, by the abolition of all taxes on industry and enterprise. This would necessarily be followed by the cheapening of commodities, the raising of the purchasing power of wages, and the removal of the injustice done to the primary producers by compelling them to pay higher prices to the manufacturer for their tools and machinery than the goods are worth.

Another controversy, carried on like the former in two city papers, was as to whether Protection was "just and equitable," a phrase used in a resolution on the subject unanimously passed by the Nationalists Association and supported by the State Treasurer, Sir Arthur Cocks. Of course we easily showed that it was the other way about, that a protective tariff is the most unjust and inequitable

that could possibly be devised, and that it coddled the local manufacturers at the expense of the primary producers and the community generally. In fact, if we had a High Court here with similar powers to the one in the United States, and Protection were arraigned before it, it could be easily proved to be unconstitutional since it forces one section of the community to its own detriment to contribute towards the upkeep of another section, which is entirely contrary to the spirit and letter of the constitution.

There is a lot more to tell about the progress of the movement here, but I must have already exceeded my space, so I will leave further details for another time.

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British Labor Now Facing Realities

THE Labor Government has now enjoyed three months of office. Though but a short time it has been long enough to bring Ministers and those who sent them to Parliament face to face with realities. The Millennium has not yet dawned, nor do we detect upon the horizon the faintest glimmer of its coming. For our part, we were not of those who expected that it would, notwithstanding the very confident predictions of "the good time coming" made before and during the General Election by those who today cry out for more time, and plead, as did the Minister for Labor when pressed in the House, that "we cannot be expected to produce rabbits from a silk hat."

If there were any evidence that the Government possessed the requisite knowledge combined with the courage to handle the situation now confronting them, we should be disposed to grant them the future time for which they so plaintively appeal. The Chancellor of the Exchequer is in our opinion the boldest of them all, yet he fears to stand up to the interests, for he told a deputation of timid step-by-steppers that waited upon him on March 26th, to suggest "a small levy, such as a ld. in the £ on the capital value of land" that "he was afraid it would be too sanguine a view to expect that any measure of this kind could be carried through the House of Commons without a long and acrimonious discussion. Opposition would be aroused by any proposals which were construed as adversely affecting the landed interests which had been so deeply entrenched for so many generations." Judged by their proposals the Government are no wiser than their predecessors, nor is there any difference in principle between them and the Tory, Liberal and Coalition Governments whom they succeeded. That there is a difference in spirit we fully admit; but as the present Home Secretary, Arthur Henderson, has said: "Goodwill without Knowledge is Warmth without Light." The "Good-