

The Forum

Edited by HOWARD S. ROSS, K.C.

SINGLE TAX.

We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual.—Henry George.

THE GREAT ADVENTURE.

The movement to have the Single Tax idea voted on in California is going with a swing. As California voters have the right to say what their laws shall be through the initiative and referendum, there is a strong probability that the taxing of the products of labor will be ended in that State before many years. The advocates of the taxation of land values make the following claims:—

What Single Tax Will Do for California

- Open 20,000,000 idle acres, mines and oil wells, to immediate use.
- Increase the quantity and lower the price of food.
- Break up the big idle estates and end land monopoly.
- Bring millions of settlers to build homes and produce supplies—on land that can be paid for by crops grown on it.
- Halt the alarming increase of tenant farming; abolish city slums.
- End high interest, usury, mortgage foreclosing and land speculation.
- Lower rent and make it easy for everybody to have his own home without a mortgage.
- Untax labor products, crops, stock, furniture, autos, homes, buildings and all useful business.
- Tax the idle acres and the big down-town values—throw the tax burden on privilege, monopoly, and speculation.
- Invite factories and new business enterprises; discourage idleness and reward useful work.
- Give the returning soldier the choice of a city job at good wages or a farm close to town.
- Speed up production to feed and equip the Allies and win the war!
- Make California first in Patriotism, Population and Prosperity!
- Develop the State's inexhaustible idle resources by the People and for the People.

SYDNEY PLAN OF TAXATION.

The following interesting letter to the Editor of "The Forum," from the Town Clerk of Sydney, Australia, (which now has a population of about seven hundred thousand) should prove interesting and suggestive:—

"I have been requested by the Lord Mayor to acknowledge receipt of your letter of the 26th June last, wherein you seek information regarding the 'Sydney' plan of taxation. In reply I have pleasure in supplying you with the following particulars:—

First of all, the so-called "Sydney" plan of municipal taxation is known in this city under its usual designation, i.e., the unimproved capital value system of rating. That system involves the simple method of taxing ratepayers upon one direct basis of valuation, viz., the value of the land without any regard whatever to the value of any improvement thereon.

I may say that the unimproved capital value system was inaugurated in this city in 1909. At that time, however, only a portion of the rate revenue was derived from the system, the balance coming from the form of rating originally in operation (viz., the assessed annual value or fair rental value. Seven years later, i.e., in 1916—this latter basis was discarded by the Council, and the Council decided to adopt the U.C.V. method for the raising of the whole of its taxation revenue.

Under the dual system, rates were struck as follows:—

(a) On the assessed annual value up to 2s. in the pound on nine-tenths of the gross annual value; (b) on the U.C.V. up to 3d. in the pound. The rating at the time the rental value system was dropped were: A.A.V., 1s 9d; U.C.V., 1½d; total, 1s 10½d in the pound. In the Act of Parliament which authorized the Council to levy the whole of its rate

on the land values system, it was stipulated that the new rate must not produce a revenue in excess of the amount which the Council had received the preceding year from the dual method, which was roughly half a million pounds sterling. This condition was met by the striking of a rate of 4d in the pound. The assessment for the current year is a little over £31,100,000.

It might be explained that prior to 1909 the U.C.V. rate was received by the State Government, and was known as the Land Tax; a fixed charge or rate of one penny in the pound was the recognized levy thereunder. As the result of certain representations made to the Government at that time, this source of revenue was transferred to the Council.

In the matter of the properties exempt from municipal rating, the following are those included in the Act:—

(a) Land forming portion of the University and affiliated Colleges within the University grounds: "provided such land is used for the purposes of education, or for purposes incidental thereto or connected therewith, and is not under lease from such University or any such College."

(b) Land vested in the Railway Commissioners, in the Sydney Harbor Trust Commissioners, and in the Board of Water Supply and Sewerage.

(c) Land vested in trustees for purposes of public recreation, health, or enjoyment; hospitals, charitable asylums; buildings used solely for public worship; and schools operating under the Public Instruction Act.

(d) The property of the Federal Government, comprising post and telegraph offices, the Customs house, the Commonwealth Bank, the establishments of the Military and Naval Departments, etc.

It may be added that, in addition to keeping a record of the unimproved capital values, one is also kept of the individual rentals paid throughout the city.

With regard to the taxation of Public Service Corporations, there are four bodies of a civil character in this city which are self-administered, viz.:—The Government Railways and Tramways, the Metropolitan Board of Water Supply and Sewerage, the Sydney Harbor Trust, and the Fire Brigades Board. As mentioned above, the first three of these are exempt from municipal taxation; the fire stations are, however, ratable. The electric light and power supply of this city is in the hands of the Council. Up to the end of 1917 the amount of capital expended on the undertaking was nearly £2,855,000.

I am forwarding by this mail, for your information, a copy of my last annual report, i.e., on the operations of the Council during the year ended 31st December last. The assessment and associated subjects are dealt with on pp. 380 to 400, and electric supply matters on pp. 224 to 293.

Yours faithfully,

THOMAS H. NESBITT,

Town Clerk.

A recent issue of The Standard, a single tax monthly, published in Australia, refers to the "Sydney Plan" as follows:—

CITY RATING.

"The position in the City of Sydney requires watching. We are now in the third year of the land values system. Unable to touch the principle the reactionary element in the Council, aided by friends outside, set up a demand for a reduction in the rate. As there was a good surplus in the first year under the land values rating a concession was made, and the rate reduced a ½d. in the pound. No such demand would have been made with the old method of rating. The result was that in the second year the Council failed to pay its way. Its credit balance was largely reduced. Although the mistake was evident, the Council has risked another year with the low rate. A huge deficit is estimated by the end of the year. It would appear that the so-called business men in the City Council are striving to mess up the city finances. The aldermen go up for reelection in December. We should, therefore, pay some attention to the elections. It is high time to shift a few more of them."