

Australia

DEBATE IN THE AUSTRALIAN SENATE

SENATOR GRANT, of New South Wales, said: For many years we have, unfortunately, for want of locally developed ideas, slavishly followed those which have been in operation in Great Britain and other countries, failing to realize that those ideas have assisted in rapidly producing in Australia precisely the same conditions as those which prevail in those older and more settled countries. The result is that notwithstanding the many ameliorative Acts which have been forced on the statute-book by the Labor party, and in some instances by other parties, unless an alteration takes place we must have here a condition of affairs which will be very much to our discredit. This will be largely due to our method of taxing the people, not in proportion to the value of the land they own, but in proportion to the value of the services they render to the community at large.

In New South Wales, thanks mainly to the efforts of Sir Joseph Carruthers, we have probably the finest system of municipal taxation existing in any part of the world. The result is that today there is no taxation of industries by local bodies in that State. That is a distinct advantage, and is mainly responsible for the continued progress of New South Wales. Such a system must be in operation for many years before it comes into full bearing.

Even at the present day, on account of the difficulty of correctly assessing land, it is almost impossible to make the system fully operative. Local owners of vacant blocks leave nothing undone to prevent the Valuer-General from accurately valuing their properties. In consequence many lands have yet to be valued, and some valuations are so faulty that the owners are escaping their just share of taxation. When those defects are adjusted, and all lands are valued under the same system, the recent progress of New South Wales will be greatly eclipsed. That system of taxation is the main reason why the building trade and allied occupations in that State, and, incidentally, in other parts of the Commonwealth, have been so busy in recent years. The principles underlying municipal taxation in New South Wales are clearly laid down by Henry George in the well-known book on economics, "Progress and Poverty."

Senator Reid: He is not an authority on economics.

Senator J. Grant: Undoubtedly he is. He has completely wiped the floor with John Stuart Mill and other men of the same out-of-date school of economics. Upon the false doctrines formulated by them the taxation of Great Britain has been built up, and Australia has slavishly followed the Old Country's example.

Senator Reid: Henry George is not recognized as an economist.

Senator J. Grant: He is the greatest economist that the world has produced. His principles of taxation are so

clear and logical that nobody can successfully challenge them. I propose to read for the guidance of honorable members what Henry George terms "the canons of taxation," in the hope that they will be prepared in the near future, notwithstanding the possibility of conflict with old-established authorities and vested interests, to advocate them. Henry George wrote in "Progress and Poverty," page 406:—

The best tax by which public revenues can be raised is evidently that which will closest conform to the following conditions:—

- (1) That it bear as lightly as possible upon production—so as least to check the increase of the general fund from which taxes must be paid and the community maintained.
- (2) That it be easily and cheaply collected, and fall as directly as may be upon the ultimate payers—so as to take from the people as little as possible in addition to what it yields to the Government.
- (3) That it be certain—so as to give the least opportunity for tyranny and corruption on the part of officials, and the least temptation to law-breaking and evasion on the part of taxpayers.
- (4) That it bear equally—so as to give no citizen an advantage, or put any at a disadvantage, as compared with others.

Senator Pearce: May I suggest that the honorable senator should not proceed further, but leave that pearl of wisdom unadorned.

Senator J. Grant: I welcome Senator Pearce's correct description of the paragraph I have just read. I daresay that the honorable gentleman could, without great effort, recite the whole of that paragraph from memory. At one time he not only held those views, but was prepared to express and act upon them. Unfortunately, his political associations during recent years have completely submerged his earlier and better views, and he introduces into this Chamber taxation bills of a most complicated character, which will be costly to administer, and in no respect conform to the principles laid down by the late Henry George. No man in the Commonwealth is more anxious to do right than I am, and no man applies himself more closely to the study of those problems which, in my opinion, must be solved before we can bring about those conditions which all desire to see established in the Commonwealth. The fact cannot be gainsaid that, in this country, which some of my colleagues characterise as their own, but in which many thousands of people may live only if they pay the rent regularly every Monday morning, although there is approximately 3,000,000 square miles of territory, it is most difficult for any one to become possessed of a freehold or even a leasehold block.