

## COLONIAL AND FOREIGN.

### AUSTRALIA.

#### TAXATION OF LAND VALUES IN THE LABOUR PROGRAMME.

Speaking at a great Labour rally at Brisbane to commemorate the victory of the Labour Party at the federal polls, Hon. A. Fisher, the new Prime Minister, said their position was perfectly clear. They were prepared to guarantee £5,000,000 a year to the States for all time. What the party had pledged themselves to do they would carry out or give place to somebody else. If there were to be an adjustment of economic conditions not only of labour but of industry, it would cause some disturbance temporarily, he would admit, but it would afterwards be beneficial. The principle they advocated during the recent campaign was the principle of the taxation of unimproved land values, which was economically sound and practically right. They should proceed to carry out that programme without a vindictive thought, without a desire to hurt any individual, but with the sole aim and desire for the adjustment of the economic conditions of this country, so that the people who desired to till the soil and to draw wealth from the national resources should be afforded a reasonable opportunity of doing so, and to open up avenues of employment and industry for people who were now living in other parts of the world—people of European descent—whom they would gladly welcome in any part of this country as soon as these economic conditions made it possible for them to come and share their lot with us.

As regarded defence, they would proceed to carry out their programme, which had been announced for the last ten years. One point that they should stand by and ask the people of Australia to endorse was that the payment for defence must be paid annually; that if the people desired their country to be defended by their own people they must be prepared to pay for it. His party would ask the people to contribute the sum necessary to provide proper equipment and to ensure effective defence, and by doing that they should, he hoped, help to inculcate in the citizens of Australia that incentive to patriotic thought and action which alone made a people great.

### SOUTH AUSTRALIA.

The South Australian Parliament met on June 2nd and Mr. J. Verran, leader of the Labour Party, submitted a motion of want of confidence in the Government, which was carried by 22 votes to 19. The Peake Cabinet therefore resigned and the Labour Party formed a Ministry.

Among the appointments in the new Cabinet is that of Mr. C. Vaughan, to be Treasurer and Minister of Lands. Mr. Vaughan is a strong supporter of the Single Tax, and some years ago was President of the South Australian Single Tax League.

### WESTERN AUSTRALIA.

Mr. W. H. Rebbeck, who visited these shores during the Budget campaign, writes to us from Kalgoorlie, and we give these short extracts from his letter:—

Some nine months ago the Protectionist Party under Alfred Deakin joined their life-long opponents, the Free Traders, under Joe Cook—George Reid (now High Commissioner) having discreetly retired from active leadership. The newly-formed party, however, has not had a very long reign. On the 13th of this month the elections for half the Members of the Senate and the whole of the House of Representatives took place and resulted in an astonishing victory for the Labour Party. They won the whole 18 seats (three in each State) for the Senate, but this result shows the necessity of an alteration in favour of proportional representation, as in each State the majority was only a very small one, the totals

showing six-elevenths for the Labour Party and five-elevenths against, yet they get the whole of the representation. In the House of Representatives they won 43 out of 75 seats. This gives them a good working majority in both houses, and they have nothing to do but go ahead and put into force the Labour platform. In this State we single taxers have educated the Labour Party sufficiently to keep as their second plank Taxation of Land Values without exemption or rebates, but the Eastern States and also the Federal Party are wedded to a Progressive Land Values Tax with £5,000 exemption. As this has been talked about so much as the salvation of Australia I expect it will be one of the first Bills introduced. I don't think there will be any radical alteration in other legislation, as the responsibilities of office tone politicians down very considerably.

### THE LAND POLICY OF THE LABOUR MINISTRY.

From The Times of June 25th.

#### THE LAND TAX.

Finance will assuredly take up July, and may stretch into August. When it is out of the way, the land tax comes on. First the Machinery Bill, closely copying—if not identical with—last year's Bill, of which I have already given you a summary. The rates of taxation, one imagines, will have been announced in connection with the Budget, although it is hardly likely to profit fully by the proceeds. And *a propos* of these rates there is good deal to say.

In his Gympie speech last year Mr. Fisher prognosticated a series of rates ranging from 1d. to 4d. At the time there was an outcry from several of his most influential supporters that a *maximum* of 4d. would not prove effective, and a demand was made for further progress up to 6d. on estates worth £100,000 or more. Now effectiveness, not revenue, is Labour's first object in levying this tax. Just as the Protectionist's first demand of his tariff is that it shall seriously limit the importation of goods from overseas, while he accepts the derived revenue as an important, but quite secondary, consequence, so the Labourite's demand of his land tax is that it shall force into full usefulness the bulk of the Commonwealth's fertile lands. The incidental revenue will no doubt be useful, but it is not to be considered in comparison with the other object. If a *maximum* of 2d. would prove effective the Labour Ministry would willingly make that the *maximum*. As a matter of fact, it seems improbable that 4d. will put much strain on the few rich men in whose hands are the areas most needing population.

On the other hand, a Federal land tax must affect town lands as well as country lands. Whatever load you lay on £100,000 worth of Victoria's western plains, you will (under the Gympie proposals) also lay on £100,000 worth of city land in Sydney or Melbourne. And this city land is being used, probably, as fully now as it can be; at any rate, no amount of taxation will put more people on it, if they are to live healthy lives. All that will happen, as the Press is already pointing out, will be an increase of office rents, and a big handicap against the rich owner who can afford to put up well-equipped office buildings and in favour of the small owner who can only put up ramshackle tenements. If the tax is made effective on country lands, it will certainly press too heavily on the cities.

The Labour leaders know this well. Among them, of course, there are sure to be one or two who willingly accept that effect. Let the rich man pay, say they—making the tax a sort of punishment. But most of the leaders, as I have said above, are not concerned with either the financial or the penal effects of the tax. It is the unlocking qualities that they prize, and where the tax cannot unlock land they have no great use for it. They therefore are devising a method of taxation which will do what they want and no more.

#### IMPROVED AND UNIMPROVED LAND.

When the taxing Bill comes up for discussion, it may be found to impose two taxes instead of one. One will be the tax already foreseen, on unimproved values, with a *maximum* of 4d. The other may take the form of a tax based on the proportion between the unimproved value and the value of improvements. This sounds complicated, but in practice works out simply. Suppose, for instance, an estate as it stands is worth £100,000, its unimproved value being £95,000—there are such estates in Australia. The improvements are 5 per cent. of the total value. That estate, under the proposal here hinted at would pay, probably, double tax—

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