Sydney Taxes Only Land Value

"SINCE the adoption of the Single Tax seventeen years ago the city of Sydney, New South Wales, has doubled in population and has experienced an unflagging building boom, while other large Australia cities have been left behind. The Single Tax has operated to encourage the development of real estate and to discourage land speculation."

This statement, published in the New York newspapers and credited to James R. Firth, one-time mayor of Sydney and now a member of the Board of Aldermen of the same city, who was in New York last week, aroused our curiosity. We did not know that Sydney had the Single Tax. We had heard of the Single Tax being applied in Western Canada some time prior to the world war, and of its breakdown with the end of the land boom that was claimed to be flourishing under its operation, and investigation had disclosed the fact that the alleged Single Tax had a very short and strong tether attached in the form of a 2 per cent. limit at a time and place where money commanded 8 per cent. interest or more. It was no real test of the Single Tax. This and other alleged trials of the taxation system devised by the late Henry George have made us incredulous of new tales of the same kind.

We learn from Mr. Firth that our suspicions were in part justified. Sydney is *not* living under the Single Tax, but has given a very fair test of Henry George's tax system by raising all municipal revenues by an ad valorem tax on land values. Even the great bridge over Sydney Harbor has been financed by the assessment of all lands deemed within a radius of its benefits.

New South Wales adopted a system called the Single Tax in 1896, but it was emasculated by exemptions and proved unworkable. It gave way in 1908 to a system of local option in tax matters.

Sydney elected to exempt productive business from local taxes and to tax the unearned increment alone. Mr. Firth estimates that the tax absorbs about one-half of the ground rent of the city, and that this has been sufficient to quite discourage the holding of land for a raise. Land is bought when wanted for use, and at very reasonable figures. In New South Wales, Queensland and Victoria the cities have local option in taxation and the system practiced by Sydney is gradually being extended. Under it the tenant pays no taxes on his dwelling, the land value tax paid by the landlord covering all.

Twenty years ago Melbourne was the metropolis of Australia. Today Sydney has that honor by a large majority, her population being 1,100,000 to 750,000 for Melbourne. Her building account last year amounted to $75,000,000 and that of this year promises to equal or surpass it. This growth has led to no congestion, as the tax has made suburban land cheap and the city has spread out evenly and symmetrically over a vast territory. The zoning system is well developed, and owners developing lands must submit their plans to the municipal authorities.

The removal of land from the realm of speculation has encouraged investment in productive enterprises, while those who are properly using their landed possession find the one-tax plan quite suited to their needs, and have no desire to revert to the former system.

—STEPHEN BELL in *Commerce and Finance.*

The Schalkenbach Foundation Begins Work

ALTHOUGH the Robert Schalkenbach Foundation has now been in legal existence for over half a year it is still early to expect much of an account of our stewardship. The work of organizing and getting acquainted, as it were, was followed by the summer dispersion so that we have been really functioning for only a couple of months. In that time we have laid out a general plan of procedure, the foremost of which is the endeavor to resell Henry George and his economics to a new generation which has come into being since his death.

In pursuance of this plan we have ordered from Messrs. Doubleday Page & Company a new edition of Progress and Poverty complete, a large part of which is to be specially bound for the use of public libraries to which these books will be donated with the compliments of the Foundation, their desire to receive the same having first been obtained. We are also prepared to reprint the abridged edition of Progress and Poverty as soon as the first printing is exhausted. We have also contracted for a new edition of the life of Henry George by his son, this work having been out of print for some time past. We have also by a unanimous vote of the Trustees, contributed $1,000. to aid *Land and Liberty* in keeping the ideas of Henry George before the British public in the present critical period. Further educational plans are under consideration.

—CHARLES T. ROOT, President.

Rent And Transportation

THE inexorable laws of economics assure to the landlord rather than to the public, the ultimate advantage of cheap transportation for multitudes of people. It is considered a valuable privilege to be able at all hours of the day to travel ten or fifteen miles in a swift electric train for five cents, but the value of that privilege is quickly capitalized in the form of rent. Economic rent, equally existent whether the user of land be the owner or tenant, inevitably exacts its tribute on the earnings of labor and capital. It is these into whose bank accounts flow the proceeds of economic rent, an infinitesimal fraction of the population, and not the public at large, who are the real beneficiaries of a five cent fare that does not adequately return the cost of production.—*Commerce and Finance.*

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