



"We express only part of our governmental will by the ballots we cast on election day; we could do a much better job, and do it with a great deal more satisfaction, if we held town meetings of our own."

—Alexander McQueen

Tax Note from "Down Under"

HERE in New South Wales—leading State of the six comprising the Australian Commonwealth—we feel certain that we have progressed along tax lines. This should be of interest to American readers.

Our Shires—rural areas, municipalities, towns and cities—impose local taxes on the value of land alone, not on improvements. Buildings or personal property are not taxed.

It is theoretically possible for existing municipalities to impose a portion of the local taxes on land values with an option to levy the balance on improved values. This, however, is subject to vote, and in the few cases where this plan was proposed, the poll of taxpayers favored the land values system.

In fact, the majority of property owners favor this form of taxation. It both reduces their taxes and gives them a case advantage. The majority make use of their own land. Only the minority hold land for speculative purposes. The natural effect of the

land values tax system is to equalize the burden of taxation. It exacts less from the efficient user of land and more from owners of idle or poorly used land.

In other words, it is more profitable to use land fully, less profitable to hold it with a view to deriving unearned increment. Use of land is beneficial, non-use is pernicious. When the people become wise enough to recognize this simple fact they will cease discouraging production by an obsolete system taxing the products of labor.

Our people are satisfied with the land values tax system. There is no demand for a change. We admit that in some minor respects the execution of our plans could be made more effective. But any idea of going back to the out-dated system of taxing improvements in the interests of land monopolists is quite out of the question.

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