

LAND VALUES VERSUS NATIONAL DEGENERATION.

EFFECTS OF LAND MONOPOLY.

EXPERIENCE OF OTHER NATIONS.

By W. M. HUGHES, M.H.R.

(Acting Prime Minister of the Commonwealth of Australia.)

In his series of articles, "The Case for Labour," published in the Sydney DAILY TELEGRAPH, the Acting Prime Minister (Mr. W. M. Hughes) deals in an interesting way with the recent litigation concerning the Federal Land Tax Act.

Mr. Osborne v. Commonwealth has completely settled all doubts as to the validity of the Federal Land Tax. The judgment was unanimous, and its terms such as to effectively discourage further attempts to upset the Act. It may be that some adventurous spirit will launch his barque upon the Constitutional ocean once more; but his voyage will be at best a mere island cruise. The Act is to stand. So much is certain. Even if one or more clauses should be held invalid they must by the terms of this judgment be severable. The principle of imposing taxation upon unimproved land values with exemptions up to £5,000 and a graduated rate of tax rising from 1d. in the pound when the unimproved value is £5,001 to 6d. in the pound when it is over £75,000, has been unanimously held by the High Court to be within the ambit of the Commonwealth power. This is a matter upon which we may well congratulate ourselves.

OBJECTS OF FEDERAL LAND TAX.

The object of the Act was twofold—to raise revenue and to induce large landholders to cut up their estates. The plaintiff sought to show, *inter alia*, that the Act was only colourably a taxing measure and that its object was really to break up great estates. But this argument, as was inevitable, received short shrift from the court. The principle upon which the interpretation of statutes rests is perfectly clear and of the widest possible application. The court in interpreting a statute is not concerned with the motives of the Legislature in passing it, save as these may be set forth or plainly deduced from the Act itself.

The application of such an argument to the Federal Land Tax is, in any case, daily becoming more and more demonstrably absurd. The amount of tax already in sight this year is well over £1,000,000, and is daily being swelled by belated contributions from taxpayers who sunned themselves in the hope that the Act was unconstitutional. The Treasurer's estimate of the probable revenue to be raised from this source has been amply justified; while those of his critics—varying from three to five millions—have been ground to powder. So much for the Act as a means of producing much-needed revenue.

Its influence in inducing owners of great estates to cut them up and make them available for would-be settlers has made itself felt. Our opponents predicted a number of calamitous consequences which would inevitably follow from its imposition. These predictions have all been falsified by the facts.

LAND VALUE TAXATION AND IMMIGRATION.

Land values have not suffered any marked depression. In many cases they are even higher than 12 months ago. And so far from land being a drug in the market, more land has changed hands than for any similar period for many years. These results, summed up, show that the Federal Land Tax has succeeded to a very satisfactory degree in doing what was anticipated from it. It has brought in a substantial increase of revenue, absolutely essential in view of our adoption of an effective defence system. It has induced large landholders to cut up their land and offer it upon easy terms—though not at low prices—to those Australians and settlers from overseas who otherwise would have been unable to get land at all; and, as a natural consequence, settlement has gone on and is going on apace. A larger number of immigrants, and these generally of a most desirable type, have come into the Commonwealth during the last year than during the five-year period from 1904-8.

I do not for a moment desire to belittle the efforts of the various States to encourage immigration here. Their efforts no doubt count for a great deal, but without that general unlocking of great estates which have effectively checked rural settlement in this country for years and years they would have been almost futile.

One rather curious point may be glanced at here. Land values have not depreciated; yet much more land has, owing to the imposition of the land tax, been put on the market. This may, I think, be accounted for without much difficulty. The wave of prosperity and the influx of population have both tended to produce a very considerable appreciation of land values; the Land Tax has tended to discount this. The result has been that the upward curve of values has not been checked. If the Land Tax had not been imposed, the inflation of values would no doubt have been very considerable, and landowners would have reaped a rich harvest at the expense of the general community. On the other hand, as there would have been fewer buyers of land—immigration being dependent upon opportunities being made available—values would have tended to remain as they were.

Looked at from any standpoint every citizen of the Commonwealth is entitled to be devoutly glad that our feet seem now set upon the right road. The prosperity and further development of the country depend almost entirely upon the increased area of land under cultivation, and the growth in the number of settlers engaged in cultivating it. And the national safety of Australia hangs upon the complete and speedy absorption of large numbers of suitable immigrants, who will cultivate our lands, rather than through our already overcrowded cities, and upon the training of these and of every adult male citizen in that primary duty of citizenship, the defence of his country. That is to say, our national safety and progress rest upon access to and cultivation of the land; and by no other means can we either maintain our national existence or develop this great country.

THE DECLINE AND FALL OF ROME.

The better to appreciate this great and vitally important truth, we may with advantage review a recent article in the London SPECTATOR, in which those causes that led to the downfall of the Roman Empire, which the writer declares exist in the British Empire to-day, are dealt with. Let us briefly consider how far its conclusions are justified, and if so in what way, if any, we here in Australia, in common with the other portions of this mighty British Empire, may avoid the fate that overtook Rome. Summarised, the SPECTATOR attributes the downfall of Rome to:—

(1) A declining birth-rate and the dissolution of the marriage tie. (2) Overwhelming taxation, especially on land. (3) The introduction of a caste system through Government action. (4) The attempt of the State to act as universal providence. (5) The endowment of idleness. (6) The neglect of national defence by the refusal to train the population to arms, and by reliance solely on a professional army.

It is a trite observation that every man sees things through his own spectacles; it will therefore save much time if we state at the outset that the SPECTATOR is (1) bitterly opposed to the Lloyd-George Budget which imposed Taxation on Land Values; (2) strongly Free Trade and anti-Socialistic, opposing both Tariff Reform and Socialistic legislation to which the young Tory Party is strongly committed; (3) against State Old Age Pensions, State insurance against sickness, accident, and unemployment; and (4) strongly for a system of compulsory training for all adult male citizens of fighting age for purposes of home defence. Bearing these facts in mind, let us rapidly review the conditions existing in Rome immediately prior to the fall, and the conclusions the writer draws from them.

First, slavery was general. Practically nearly all the manual work in the rural districts at all events was done by slaves. By the first century B.C., says the SPECTATOR, much of Italy was occupied only by vast grazing farms tended by half-wild, half-starved, wholly dangerous slave herdsmen! It had not always been so; in the days when Rome was in her prime Italy was parcelled out into small holdings, owned, held, and cultivated by that sturdy yeomanry who, trained to arms as well as to industrial labour, fought her battles, produced her wealth, and spread her glory throughout the known world. But gradually these men, for various causes, were driven from their farms

and drifted into the cities. As there was no room for free labour, they rapidly degenerated, and existed as practical paupers surrounded by social conditions of the most debasing and demoralising kind. The most frightful immorality was rampant. The inhuman butcheries of the arena marked the depths of their moral degradation. Infanticide was fearfully common. The population dwindled in numbers, and degenerated physically and morally. Rome went down because of the failure of her crop of men.

"Even when later free labour did obtain opportunities for employment in place of slaves, a rigid caste system confined and crippled it. Pestilence devastated the land, civil war raged and decimated the population. The country was ground down by taxation, especially on land becoming more severe as time went on."

Here we pause for a moment to summarise the facts. Great estates swallowed up the small holdings; grazing took the place of agriculture; slaves displaced free men. The small farmers therefore were driven into the cities and as slave labour did all the work the dispossessed small holders became pauperised, degenerate, brutalised. Slavery and land monopoly accompanied this between them.

SLAVERY AND LAND MONOPOLY.

Slavery and land monopoly! And out of these two came frightful immorality, infanticide, inhuman butcheries to make a Roman holiday, degeneration, and decay. A fine brood worthy of their dam and sire—transforming the descendants of the industrious yeomen who had fought for Rome into a race of pitiful and degenerate parasites unable either to do honest work or defend their own country. Not the lusty and virile barbarians that swept over Italy brought the mighty Roman Empire to the dust, but slavery and land monopoly!

Does this strike home to us? Are we standing on firm ground or living like fools in a palace built on quicksand? Slavery, it is true, no longer exists; but land monopoly throws out her evil spawn as of yore. If there is a declining birth-rate, if infanticide is too common, if the towns are overcrowded and the country deserted, if agriculture is neglected because grazing pays the great landholders best in these days, as in the evil days of Rome, if the people are unwilling or unfit to defend their country and leave this, the first and last duty of free men, to hirelings, what other cause than land monopoly is primarily to blame?

LAND TAXATION IN ROME.

The attempt of the SPECTATOR to attribute some of the responsibility to heavy land taxation is ludicrously futile. In the first place the so-called Land Tax was not upon unimproved land values, not indeed, upon the land at all, but upon the value of the annual product of the land! That is to say, it was a tax upon production. The man who produced the most wealth paid the most tax, the man who produced least wealth paid least taxation, although he might own half the countryside! The modern system of Land Value Taxation upon which the Federal Land Tax is based is the complete opposite of such a system. Not the value of the wealth produced, but the value of the land owned is the basis of taxation. The so-called Roman Land Tax was really a tax upon incomes derived from land!

The SPECTATOR, in its desire to attribute the downfall of Rome to Land Value Taxation in order to help its Tory friends—who viewed the Lloyd-George tax as the work of Satan—has over-reached itself. To prove this it is only necessary to point to a fact quoted in the article: That in the days of Valentinian III, there remained only the great land-owners and their slaves! The yeomen and middle classes had completely disappeared. It appears then, that the so-called land tax had so far from crushing the great landed proprietors, destroyed all except them and their slaves! The extent to which this had been done may be inferred from the fact that while all beneath them were reduced to beggary, the incomes of the great landed nobles averaged £60,000, and were not seldom as high as £300,000 a year! As the SPECTATOR admits, it is obvious that these great landed nobles evaded their obligations as much as possible. And to the very rich many things have in all ages as in our own been possible.

LAND MONOPOLY THE PRIMARY CAUSE OF ROME'S DOWNFALL.

Such was the condition of the Roman Empire in the days when wealth accumulated and men decayed. Great estates and slavery killed Rome. And of these great estates dug their vampire bill the deeper into the vitals of the nation. Slavery decayed, but land monopoly flourished to the end; flourished

at the expense of the strength, virtue, courage, and character of the Roman people. Rome went down owing to the failure of her crop of men. Great estates were responsible for the failure of the crop.

How far is this a picture of our own times and our own country? A mighty outcry has been raised against the Federal Land Tax, because it is aimed at discouraging great estates. Yet, by this means alone can national dishonour be avoided and our existence as a nation secured.

The exact figures have not yet been compiled, but it is, I think, within the mark to say that less than 3,000 people own one-half of the entire alienated land of Australia; that is, one-half of the most valuable portion of our heritage! If we are not to follow hot-foot in the steps of Rome and fall an easy prey to the virile nations that hunger for our magnificent inheritance, we must get the people on the land, and we must train all citizens to defend their country. In that way and that way alone, lies industrial, social, physical, moral, and national safety. And the Federal Land Tax is making it possible for us to do these very things.

HERE AND THERE.

"Poor fellow, he died in poverty," said a man of a person lately deceased. "That isn't anything!" exclaimed a seedy bystander. "Dying in poverty is no hardship; its living in poverty that puts the thumbscrews on a fellow."—PROPERTY MARKET REVIEW.

After making a number of charitable and other bequests, the late Miss Emily Rotch, of St. George's Road, Westminster (whose estate has been proved at £16,239), specified in her will:—

"That these legacies shall be paid from money left to her by her aunt, and should her share of her aunt's property amount to more than £1,000, the charities are to be increased up to the tenth, and everything else in due proportion, 'or if Lloyd George takes so much, it is less, then I desire the charities be reduced to the tenth and everything else in due proportion.'" —DAILY CHRONICLE, September 19th.

"Man under modern dispensations has been graciously permitted by his masters to go back to the land only after he is dead: I think if they would permit him to do so during his life, and allow him a cottage and a few acres of land, things would not be so bad in our world. Did not a son of Cain build the first city?"—SIR WILLIAM BUTLER: AN AUTOBIOGRAPHY.

In the course of a series of special articles in a Welsh newspaper on the housing question in rural Wales, Mr. Edgar L. Chappell gives the holiday-maker from London and the large urban centres food for reflection by remarking that in Lampeter, Aberayron, New Quay, Cardigan, Haverfordwest, Fishguard, Carmarthen and other urban districts in West Wales there are nasty little courts and ugly little slums.

Thus, for example, he says there are Aberayron and New Quay, where people during holiday time sleep six and seven to a bed for the sake of their health—townships without adequate drainage systems and dependent for their water supplies on intermittent surface springs which are always liable to pollution.

At Fishguard and Milford Haven there are serious house famines which have given rise to problems of overcrowding and rack-renting similar to those with which we are all familiar in the crowded industrial districts of the coalfield.

The policy of Municipal Housing has its counterpart in a proposal recently made at the Town Council of Schoenberg, one of the boroughs of Greater Berlin, that the Council should buy potatoes and other vegetables in order to retail them to the poorer population at low prices during the coming winter. The proposal is of course dictated by charitable intentions, and some one will have to suffer the loss represented by the difference between the purchase and the selling price of the vegetables. But what difference is there between this proposal and the schemes of our own local authorities to provide municipal lodgings at low rents? Why not remove the cause of poverty which prevents men from providing themselves with good food and good shelter, and all other good things?