

The Bill as we have seen was passed, but in the period of reaction that soon followed all was undone, for the generality of the people did not understand the motives and the principles of Rivadavia, and his ideas remained locked up among the distinguished group of thinkers that the reaction against him drove from the country. The public lands were sold or given as rewards to military leaders. The dictator Rosas by one decree alone put up for sale 1,500 leagues of land, and by a law of 1839 he gave to his generals six leagues each, to his colonels five, and so on. The country remained under his rule till past the middle of the century.

Now once more it is trending in the direction of reform. The movement is taking the form suited to the present stage in the development of the country, and the prospects of the early establishment of the taxation of land values throughout the Republic are bright. Already it has been adopted in the province of Córdoba. The ideas of Rivadavia are again becoming known, and the writings of Andrés Bamas are being circulated side by side with those of Henry George. For Bamas was not merely the historian of Rivadavia; he was himself an economist of no mean order. Though the preface to the work under review is dated 1882, he seems to be quite unacquainted with the work of Henry George, but he had arrived at the same principles. He says:—

In regard to public lands Rivadavia established the right of social ownership. Without this right we are in a state of feudalism or of communism.—The title to property is labour.—Communism, refusing to recognise this right, allows individuals to acquire and enjoy that which is not the result of labour and of a man's personal faculties.

And again he says:—

The emphyteusis of Rivadavia gives to every one what is his own; to the individual, ownership of what he produces, his capital and his labour; to society, what it produces.

Andrés Bamas died in 1891, too soon to see these principles rescued from oblivion and carried into practice in his own country. But he saw beginning "the conflicts between public and private interests which the emphyteusis of Rivadavia would have prevented"; and he foresaw that when "the Argentine agrarian system of 1826 was understood and studied by the scientific world, Rivadavia would occupy a foremost place among the reformers of his century." And so it is coming to pass.

F. C. R. D.

The 5th. To Montauban. The poor people seem poor indeed; the children terribly ragged, if possible worse clad than if with no cloaths at all; as to shoes and stockings they are luxuries. A beautiful girl of six or seven years playing with a stick, and smiling under such a bundle of rags as made my heart ache to see her: they did not beg, and when I gave them any thing seemed more surprised than obliged. One third of what I have seen of this province seems uncultivated, and nearly all of it in misery. What have kings, and ministers, and parliaments, and states, to answer for their prejudices, seeing millions of hands that would be industrious, idle and starving, through the execrable maxims of despotism, or the equally detestable prejudices of a feudal nobility. Sleep at the *lion d'or*, at Montauban, an abominable hole.—A. Young's TRAVELS IN FRANCE, 1787-9.

It is territorial monopoly that obliges men unwillingly to see vast tracts of land lying waste or negligently or imperfectly cultivated, while they are subjected to the miseries of want.—WILLIAM GODWIN, POLITICAL JUSTICE, Book VIII., Chap. III.

## THE SINGLE TAX

### What it is and why we support it

(Report of an address by Mr. A. G. Huie, at a meeting of the Parramatta Research Society, held at the School of Arts, Parramatta, New South Wales, on the 14th July, 1915.)

We propose to abolish all taxes upon food, clothing, raw materials, machinery, incomes, estates of deceased persons, all stamp duties, and all other taxes—in a word, all taxes upon labour products. This side of our proposals may be summed up very briefly. We propose to exempt labour from taxation.

As a substitute for all existing taxes we would appropriate the economic rent or annual value of all land, as public revenue. It may be briefly stated, we propose to tax land values only.

The purpose of the Single Tax is to take the value which arises because of the presence and needs of the people. Land value is not made by the owner of a piece of land. The presence of one man cannot make land value. Land only acquires a value apart from labour when two or more persons want the same piece of land and are willing to bid against each other for the privilege of using it. It is at this stage that the necessity for government arises, and the value or rent of land constitutes the natural way of defraying the cost of common public services.

The value attaching to land has been spoken of as the unearned increment. That is, it is unearned by those who receive it now. It is not really unearned. It is the joint stock earnings of the people. It is community earned or socially earned, but instead of going to the people who earn it to be expended for their use and benefit, it goes to the landowners, and saves them the trouble of working for a living for themselves.

First of all, we have land. Land, according to the Science of Political Economy, means all the forces of nature to which labour may be applied to produce those things which satisfy human desires. It includes not merely the surface of the ground, but minerals and metals underneath, rivers, springs of water, harbours, the sea; in a word, external nature. All except man himself is land. I mean, of course, in its raw state, I have not yet come to what is fashioned by the mind and industry of man.

Second: we now come to labour. Labour is human power, mental and physical. Man has needs. He wants food, clothes, shelter and enjoyment, and so on; his labour power is the only right and natural means to enable him to get what he needs from day to day. He does not work for the sake of work. It is quite a mistake to suppose that man is fond of work. He is not. He only works to get results. So you see here, we have first land and then labour. All that labour needs is free access to land, for everything that humanity requires to satisfy its material needs comes from land, and nowhere else.

That the land is capable of supplying labour with all its needs is so obvious that we need not waste time discussing the point.

Third: labour applied to land results in the production of goods of all kinds, which are called wealth. Labour may be employed growing wheat, or mining coal, or manufacturing tobacco, or building houses. Such are the more direct methods. Or labour may be employed in a less direct manner, such as clerks in offices, as civil servants, and as traders or middlemen. But labour in producing and transporting goods or wealth is always essentially the same thing. It makes no difference, so far as the true grasp of the subject is concerned, whether it was man before he had a fig leaf to cover his nakedness, picking fruit to gratify his hunger, or in our complex social life of to-day.

That which labour produces belongs to labour. No one else has any right to it. On that point probably you will all agree with me—that the full produce of earnings of

labour belong to labour. Let us keep in mind now this third fact, that everything that labour produces from the land from a boiling of potatoes grown in a back yard, to a vessel like the "Olympic," is wealth, and that labour has produced such wealth from the raw forces of nature, in other words from the land.

The wealth that man produces from the land is mainly for immediate consumption. Mankind lives from hand to mouth. That, however, is not due to the niggardliness or poverty of nature, but is due to unjust interference with man's right of access to nature to produce what he needs, and to an unjust distribution of the wealth produced.

Let us now consider the third factor in production—capital. What is it? There are so many opinions loosely expressed that it must be rather confusing to many people to know what capital really is. I have heard it described by Socialists as the unpaid wages of labour. I will give you the correct scientific view. Capital is that part of the wealth produced by labour from land which is used to assist in the production of more wealth. As Henry George puts it, it is wealth in the course of exchange. Now if labour produces capital, then land is not capital, because labour does not produce land; therefore, a landowner is not a capitalist merely because he owns land. Land is not capital. Land is not the unpaid wages of labour. We have, therefore, established this matter clearly that land is not capital, and a landowner, as such, is not a capitalist.

While land is not capital, an owner of land may use capital. So we have in many cases a dual personality, a man who is both landowner and capitalist. We can proceed even further, and find cases where a man is landowner, capitalist, and labourer all in one.

Before proceeding to point out what is rightly due to land, labour and capital, let me say just a few words about capital. It is, first of all, perishable. It consists of buildings, machinery, stocks of goods for sale, tools, and so on. It is all labour products used in business or, in other words, in the art or science of getting a living. Buildings wear out, so do machinery and tools. And in cases where they are not actually worn out they become out of date, new and better forms of capital displace them, and they go to the scrap heap. With stocks of goods they must be moved. They won't keep. So you see that capital in all its forms has all the time to be maintained, renewed, and replaced by labour. It is, as I said, perishable; it is always wearing out, and unless fresh capital were constantly being accumulated it would perish altogether in time.

Let me give you a striking example. In the early days in Sydney, land was of very little value. In fact, in Captain Cook's time it was worth nothing. Some seventy years ago the land bounded by George Street, Bathurst Street, Kent Street, and Liverpool Street, Sydney, was vacant. One fine morning a bullock driver came from the country with his wagon and bullocks, and met the owner of that piece of land. The landowner said to the bullocky: "I will trade you the land for the wagon and team of bullocks." But the bullocky said: "No." The team was his capital, and the owner used it to get a living. After I heard this story, which was some years ago, I went to the Sydney Town Hall and turned up the unimproved land valuation of that land and I found it was over £200,000. The bullocks are dead, the wagon and tackling are worn out. The whole of that capital has long since perished. The men are both dead, but the land remains, and I suppose it is doubtful whether the whole crowd of us could scrape up enough money among us to buy a small allotment of that area of land now.

We have then, land, labour, capital and the result produced by labour from land aided by capital—wealth. The all-important question now is the distribution of that wealth.

Let me show how rent arises. As already pointed out, land for which there is no competition is of no value, and consequently yields no rent. Suppose all of us go and

settle in a new country. Naturally we will go and squat on the best land. We will assume that there is enough good land to allow us each a section, and that we can make a living with a fair amount of work, a rude plenty such as the South Sea Islanders enjoy, where land is free. After a while a new lot of settlers arrive. They have to take up land outside which is not so good. But in the meantime better tools and machinery—that is capital—are coming into use, and they are able with no more labour to make a good living. Then another batch comes along, and has to take poorer land, but the inventive genius of man is improving methods of production, more capital enables these newcomers to also do well. Then more settlers come, the railway is extended and other evidences of progress appear. I think you will see that those who came first are now on velvet. With up-to-date methods and machinery they can make two or three or four livings with no more labour than was necessary in the first place to make one. The advantages of progress have gone into the land. So those who came first say: "Why should we work any longer, we will retire and let someone else do the work, and we will live on the rent." That has gone on to such an extent in this country that a man owning, say, two feet of land near the G.P.O., worth £2,000 per foot, could get £160 per year in rent and need not work at all.

I want now to show you the way the wealth produced is distributed under the present system, and how it would be distributed under the Single Tax system. I think you will all agree with me that the distribution of wealth to-day is atrociously bad. Some of you may say that the quantity of wealth produced to-day is ample, if rightly distributed. A proper distribution would be a great improvement, but at the same time I do not agree with the view that the volume of production is now sufficient. The Single Tax abolishes taxation now imposed upon labour. Such taxation is not merely what is paid to the Government, but includes large amounts paid to protected monopolists. For example, the sugar tax costs the consumer at least £1,500,000 per year under normal conditions. But the Government only gets £500,000 while the sugar monopoly pockets £1,000,000. You see, therefore, that the Single Tax is not only going to save labour the taxes paid to the Government, but also all taxes now paid to protected monopolists. I put the amount of taxation now paid to Governments and private monopolists down as being over £50,000,000 per year in Australia. You may say that is not very much when you say it quick. But I may point out that the total wages paid in all the factories in Australia in 1913 were only £33,585,248. The Single Tax, by abolishing existing taxation, would save labour over £50,000,000 or give the wages of labour greater purchasing power to that extent. Having abolished taxation we must look elsewhere for public revenue, and we would take the rent of land, which the landlord gets now, and pay it into the Public Treasury.

We will now consider the matter of capital and interest more fully. The objection is often raised that payment or interest is an unjust deduction from the wages of labour. Let us reduce the matter to a simple form. Take the case of any young fellow leaving school. He goes to work. You say, and we say, that he should get all that he produces—the full fruits of his labour. To-day he only gets part of it. Two courses are open to him. He may live up to it, consume it as fast as he gets it, and you know such a man is liable to meet trouble and suffer severely. Or he may save a little from week to week, put it in the savings bank, and after some years he starts in business, or buys machinery. He uses his savings—which are now his capital—and in that way he becomes a more capable producer than he was before. What is called interest is really a form of wages. It is the payment or advantage accruing to him because of his own labour. Suppose you abolish interest, that is, if you could; but let me tell you, you can no more

abolish interest than you can make a journey to Mars. It has existed from the earliest historic times, and will continue till this world is played out and dies. But suppose you could abolish interest, then capital would waste away. Nobody would accumulate unless it paid them to do so. The payment or advantage is interest.

That which is called interest now is often really land rent, or a return upon fictitious or spurious capital. Examples may be seen in stocks of companies, mines and other securities which are "watered" from time to time. I am only showing that true interest is a form of wages. It cannot be avoided, it must be paid. Unless it is paid capital will not be accumulated and we will get back to primitive savagdom.

In the most primitive stages of human development and among the animals each unit or family, for the purpose of reproducing its kind, does everything for itself. It provides its own food, clothes, shelter and so on. With the growth of society came the subdivision of labour. It was found that it was much easier for a man to confine his energies to one thing or a part of a thing and to exchange the surplus over and above his own requirements with producers of other things which he needed. This led to the adoption of a common medium of exchange which we call money.

It will be clear that if men are to get the full value of their labour they must be quite free to exchange the product of their labour for the product of other people's labour. For instance, the farmer grows wheat. If he only grew enough for himself you and I would have to grow wheat or starve. That would mean lessening our efficiency as producers of wealth as well as compelling us to work harder. Every producer of wealth is entitled to the natural market value of his produce. If he gets less, then he does not get the full fruits of his toil. If he gets more, clearly he gets it at the expense of others, who are thus deprived of part of their earnings. For a man to get the full fruits of his labour involves complete freedom to produce wealth from land and complete freedom to exchange all or any part of it with his fellow man. Any artificial barriers, such as tariffs, cause immediate and serious losses. They prevent men getting the full value of their labour.

On account of the enormous losses which labour suffers every year from the erection of artificial barriers to trade I am anxious to make it quite clear that freedom to exchange is natural, right, and moral in the best sense of the term. If any of you want an article sold in a shop across the street you can go and get it. You would resent the action of anyone interfering with you in any way. The principle is exactly the same if the source of supply for your wants is in Sydney, or Melbourne, or New Zealand, or England, or France, or the United States. And you should equally resent any interference in getting what you need, because it is a direct infringement of the principle that labour is justly entitled to its full earnings.

The getting of an article from across the street or the seas is not a one-sided operation. You cannot go shopping empty-handed. Men are first of all producers, they are secondly traders. Production always precedes trade. First of all, your labour has been employed in producing the wealth which you take across the street or send across the sea to pay for the thing you want. You give what you don't want for what you do want. That is trade, and the principle is exactly the same whether you trade with the man across the street or in the uttermost part of the earth. The world is complete in itself. Any section of it is incomplete. The world is the only source of supply of all material human wants, and you at once deny the fundamental principle of the right of labour to produce and enjoy the fruits of its effort by supporting a tariff or taxes of any kind upon any labour product.

The Single Tax is the abolition of all taxes save on land values. I wish now to show that it is practical. The Single Tax is not a class tax. Those who advocate it do not recognise any class struggle. It is not a class movement. We look abroad on the great surging, struggling mass of humanity to-day, and all we see is man. All men have equal rights to life, liberty, and the pursuit of happiness. We are out to establish those rights. We put our hand on the land and say here is the key to the whole situation. We will take this land rent and make it a common fund for distribution among all men. The man who takes land rent is, in trade union language, a blackleg. We are out to stop blacklegging. He is the worst, meanest, and most contemptible of all blacklegs. But we cannot blame him if we allow him to blackleg.

Here are three laws, three natural laws, that I want to mention briefly. First, men seek to gratify their desires with the least exertion. In other words, you take the best job you can get. The landowner is the man who gets ahead and blacklegs on you all the time. It is the easiest job he can see, but he can only take it if you permit him. The second law is that effects are due to causes. That labour applying itself to land is the cause of the effect—the production of wealth. Thus, the effect, wealth, is due to the cause, labour. It is simply another way of stating that labour should get all that it earns, because it has produced it. It is a matter of common right and justice. The third law is the law of national life. We must respect the rights of others as scrupulously as we respect our own. In the ideal social state every man does his share of the work. He puts his shoulder to the wheel. He seeks to maintain equality of opportunity. He insists upon his own rights, but recognises freely that the rights of others are equal to and are as sacred as his own, and must be maintained.

I want now to give some idea of the effect of the adoption of the Single Tax principle. I want to make it quite clear that I don't believe in wasting time over ideas which, if adopted, would only benefit future generations. I believe in a policy which can be adopted at once, which will benefit the men and women of to-day and make the lot of the next generation better and easier than our lot. We live to-day, we want justice to-day. The needs of to-morrow and of the people of to-morrow will be the same as those of to-day, but it will be their duty, not ours, to attend to them. It is for us to do our duty in our day, insist upon equal rights to land, and the full fruits of labour to all producers. The best that we can do for the people of to-morrow is to bequeath them a good example. They will have the power to make or mar their fortunes just as we may do to-day.

When we look abroad on the face of Nature the most remarkable fact is neglected opportunities. As I have shown, land is the source of all wealth. It is for one just as much as for another. We are born with equal rights to the land, as the source of all our supplies from the cradle to the grave. Look around you, whether in city, town, or country, and you will see idle land. Such land is not barren, worthless land, but often land of very high value. Yet labour never gets a chance to use it. It is held for a price by someone who is unable or unwilling to use it himself. That owner has done nothing, but he has the power to demand a tribute from a fellow man for leave to toil. I feel sure that many people do not realise the enormous extent of land which might be used but which is held for a high price so that the owner may get something for nothing. At the present time in the Sydney metropolitan area three-fourths of the land is idle. In a number of municipalities, in addition to idle land, many improvements have served their purpose and are really worn out, and should be replaced with modern structures. This is particularly so in the cities of Sydney, Glebe, Redfern, Newtown, &c. All our tramlines, except the main city and suburban



system and the Cronulla extension, are run at a loss in spite of the increase in fares. Over 2,000 miles of railway are run at a loss, and yet all that is needed to make decent housing conditions for all, and to make all railways and tramways pay handsomely, is fair use of the land served.

The cause of this condition of affairs is not scarcity of labour, or unwillingness of labour to work. It is not due to scarcity of capital or unwillingness of capitalists to invest. It is due to the fact of private ownership of land values. We could employ all our workers at higher wages than they get to-day, we could use all the capital available with advantage, if there were no dog-in-the-manger land owners right in the way of progress. This is where the Single Tax comes in. We put a tax on land values so as to absorb the economic rent of land. When that is done the only object in holding land will be to use it. It will no longer pay to try to get an unearned increment. It is said with a great deal of truth "opportunity makes the thief." Men speculate in land because society gives them the opportunity. They won't work if you allow them to avoid it. The Single Tax by appropriating for society the whole yearly value of land, leaves the landowners only what they produce by their own labour. It would put all men in this position, work or starve, but they need not starve because land is open and calling for labour. To-day the lot of many is work or starve, and no land is open to them and calling for their services.

Low wages and bad conditions result from men being denied access to the storehouse of Nature—the land. Labour and capital are confined to the land in use. Land speculators create an artificial shortage of available land. So we have a surplus of labour, clamouring for work. That means low wages, unemployment, and hard times. The workers are competing among themselves for an insufficient amount of work. There is not enough work to go round. Hence the cut-throat scramble or competition for available work. Then some people, who are big in the heart and soft in the head, jump to the conclusion that competition is the cause of all the trouble. Competition for employment is not a cause, but is an effect of the primary wrong—monopoly of land—which denies labour a chance to employ itself. When a hundred men want work and there is only work for fifty, wages will be low, the struggle for existence keen, and a number will be out of work. Throw open the land so that there is work for 150, and wages will be high, conditions easy, no one unemployed, no struggle or competition between man and man for work. But competition will still exist under another form. It will be like the competition in the cricket field or football field for supremacy, or the competition at the show for a prize for the best wheat, or butter, or fruit, or stock. Competition among men for work, when there is not enough to go round, is bad, but competition among men, when work is abundant in order to excel in getting the best results, is good. In fact, it is only by competition that we can decide the value or merit of a man's product or services. Competition will always exist, man only has the power to decide which kind of competition he will have in his country.

Finally, I will point out how the Single Tax principle may be adopted. We have a triple form of Government in Australia. First, Local Government, which is carried on by our municipalities and shires; second, the State Government for State affairs; and third, the Federal Government for national affairs. We would have one national valuation of land on scientific lines for the Commonwealth. Then the Local, State, and Federal Governments would impose their taxes on that valuation. To a very large extent in N.S.W. rates are now imposed on land values on the single tax plan. Then there is the Federal Land Tax, with a £5,000 exemption and graduations. This tax is not on single tax lines at all. It is a counterfeit, which is temporarily doing service until found out and discarded.

I want now to give you an outline of what the Single Tax can do in financing the country. Here is a summary of the Australian position:—

State taxation for all States, 1913-14 .. .. .	£6,304,836	
Interest on cost of railways and tramways, all State, approx., 1913-14 .. .. .	6,966,779	13,271,615
Federal taxation, Customs 1913-14 .. .. .	12,652,736	
Federal taxation, Excise, 1913-14	2,325,333	
Federal taxation, Land Tax, 1913-14 .. .. .	1,609,945	16,588,014
Local Government taxation, all States, say .. .. .	5,000,000	
		£34,859,629
Privately imposed taxes— Twenty per cent. profit on Customs and Excise .. .. .	2,995,615	
Increased cost of local produc- tion, because of the tariff .. .. .	24,160,000	27,155,615
		£62,015,244

There is no proper system of valuation in Australia, so I must make an estimate. I estimate the unimproved value of the land in Australia at £150 per head of the population. In New Zealand, where they have a good State system of land valuation, it is over £200 per head. That gives an unimproved land value of £741,142,800, as the Australian population on the 31st December, 1914, was 4,940,552. Let us now take 5 per cent. as the fair average value of money and regard that as the economic rental value of the land, and you have a revenue of £37,057,140, showing a surplus of £2,197,000. From a financial point of view the proposition is so sound that we would always have a reserve to fall back upon in case of need. It would not be necessary to go cap in hand for a loan to John Bull while a war was on.

I recommend you all to look most carefully into the Single Tax system as formulated by Henry George. The land is the foundation upon which the social superstructure must be built. While one man owns the land another man must live or work on, and is able to charge him rent which he retains and uses for himself, it is mere waste of words to talk about a better social system. That primary wrong has to be redressed as the first step towards a better state of affairs. No other step can be substituted for it. Free land is the fundamental necessity of a free people. The Single Tax will free the land so that labour will be free, independent, and able to work on its own terms.

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