

## **SINGLE TAX IN NEW ZEALAND**

The Honorable James G. Maguire

In the House of Representatives, Saturday, August 26, 1893.

From the "Congressional Record."

The House having under consideration the bill (H. R. 1) to repeal a part of an act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes":

Mr. MAGUIRE said:

Mr. Speaker: Since addressing this House on Wednesday last, my attention has been called to some very important facts, coming to us from the colony of New Zealand, which tend very materially to confirm the views which I then expressed concerning the real cause of, and the true remedy for, industrial depressions.

I then took the position that the constant upward tendency and pressure of groundrent, as a factor in the distribution of wealth, periodically made production unprofitable to the active factors — capital and labor — and thus unnaturally checked production when all natural conditions were conducive to prosperity.

I also suggested, merely suggested, because its discussion in detail was not in order, that the true remedy for this primary and universal cause of industrial depressions was the appropriation of the unearned increment, or rental value, of all land to public use by means of a single tax on land values.

About two years ago, sir, the government of New Zealand took the same view of the cause of our periodical depressions and amended its taxation laws on the lines of the remedy which I have suggested. The amendments were crude, but they were on the right lines. All reports show that those amendments to her taxation laws have been of wonderful advantage to that colony.

Our consul at Auckland, Mr. J. D. Connolly, stated in a recent interview that there had been no industrial depression and no financial crisis there.

Mr. Thomas Brown, a leading citizen of that colony now in this country, in a recently published statement says that work is plentiful at good wages, that the colony has not, during the past five years, suffered any disturbance of either credit or industry and that the future promises increased prosperity.

Mr. J. T. Farrell, of New South Wales, has just published a letter in the St. Louis Courier commenting on the marvelous escape of the colony of New Zealand from the depression and crisis which have desolated all of the other English colonies in that section of the world.

From that letter, sir, I desire to read the following extracts:

Under the rule of the new political element which came into action there at the last general election, the prosperity of the colony has been amazing. Today it is incomparably the best colony of the group for a majority of wage-earners, and its advantage increases. The latest returns show a great increase of imports and exports, a heavy surplus of current revenue over current expenses, made up of advances in the returns from every department of public service, great expansion of national wealth as shown by large deposits in the savings and other banks, and an almost total disappearance of the local unemployed.

A wholesale exodus of workers from all the colonies to New Zealand has been going on for months. The lands are being settled and used, and every indication points to a future of even greater prosperity. Good government and the taxation of monopoly have caused this result. It was predicted that the land and labor legislation would result in continual deficits in the revenue, but as a matter of fact last year they paid \$1,000,000 of their national debt, besides carrying \$500,000 into the public works fund, and the treasurer estimates the surplus this year at \$1,650,000.

Landowners see that further taxation of land values is sure to come. These values are steadily falling and land speculation is dead. Therefore access to land for use is easier than ever before, and production goes on apace.

Why is New Zealand the only oasis in the industrial desert to which the civilized world has been reduced?

Is it because her reformed taxation laws have timely checked the monopoly of her natural resources? That is my conclusion.

I cannot personally vouch for the correctness of the statements, but I believe them to be true.

If they be true, the reformed taxation system of New Zealand deserves a prompt and thorough investigation by this Government. If New Zealand has discovered an effectual method of averting industrial depressions, as I believe she has, the people of this country must be saved from any further recurrence of such awful calamities.

While upon this subject I will read the following extract from a recent number of the Sydney (N. S. W.) Register:

Mr. Henry Matthews, late home secretary of England, says of New Zealand: "Altogether it seems to me a most desirable place to go to. They have the labor difficulty there, of course, as elsewhere. There seems to be so much scope for individual enterprise that it is well nigh impossible to obtain labor for ordinary purposes at reasonable rates. But this difficulty will, I suppose, be overcome in time."

You will notice, sir, that Mr. Matthews speaks deprecatingly of "the labor difficulty" existing in New Zealand.

But the context of his statement shows that it is not a labor difficulty which laborers have any cause to fear.

The labor difficulty which they (the laborers) fear is the difficulty of obtaining employment, not the difficulty of obtaining laborers to perform the work which offers.

The secret of the matter is that under the taxation laws, which have broken up land monopoly in that colony by making it unprofitable, the surplus labor of the colony has been readily distributed upon the land.

This has made it impossible to maintain an army of unemployed laborers in New Zealand to menace employed laborers at the centers of industry.

This sets labor free and enables it to control the situation and to secure to itself a larger share of the wealth which it produces, while rent, the toll-gatherer's portion, is correspondingly reduced.

Every man at all familiar with our industrial system knows how the army of unemployed laborers maintained in every industrial center of this country and of Europe enslaves the laborers who are employed.

The unemployed laborers, driven by the fear of want, and too often by actual present hunger, bid at every point for the places of those who are employed.

As their necessities become more pressing, their struggle to secure the places of their employed brethren becomes more intense.

They offer to work for lower and lower wages, regardless of the value of their labor, because a bare living is better than starving, or, as the homely adage expresses it, "Half a loaf is better than no bread."

This unnatural competition with hungry and helpless men, even in our land of "inexhaustible natural resources," forces all wages down to the starvation point (the bare living point), except in so far as labor unions have been able, by infinite toil and infinite waste of means, to resist the tendency.

This surplus labor should be distributed upon the unused land of our country. God made it for use, not for speculation, not for monopoly.

I do not say that all, or even a quarter, of the actually idle and destitute laborers who crowd our labor markets would, or could, go out upon the land if it were made free to them. But I do say that a large proportion of the laborers in the great centers, employed as well as unemployed, are better fitted for rural pursuits, and that rural pursuits would be more congenial to them than the intense struggles and privations of the city laborers life.

These would go out upon the land if it were reasonably free, as they have done in New Zealand.

Their going would relieve the unnatural pressure of competition in the labor markets, and their new industries would create a new demand for labor.

The wages of labor would then be fixed by the value of the labor, as they should always be, and not by the competition of starving men.

"Back to the land," in the language of the distinguished Irish prelate (Bishop Nulty), is the only way to industrial freedom.