

present law was adopted in 1891, more than a year before the climax of speculation and panic; while New South Wales adopted the tax in 1895, going into effect in 1896, nearly three years after the panic, when business and industry were greatly depressed. The improved conditions which took place in New Zealand in 1892 did not take place in New South Wales till 1896. It can thus be seen that the land tax has been tested in such a variety of public conditions as to make reasonably certain that there is no truth in the evils predicated of its adoption.

"In 1898 the four colonies having the land tax in operation, New Zealand New South Wales, South Australia and Queensland had an excess of immigration over emigration of 12,580 persons, being a gain in every colony, while the three colonies having no land value tax lost that year, by an excess of emigrants over immigrants, 4,910 persons."

"ONE OF THE PICTURESQUE HISTORICAL FACTS

in connection with the Australasian land value tax," says Mr. Bucklin, "is that it should have first sprung up and been adopted by two colonies, South Australia and New Zealand, which were colonized under the directly opposite influences and theories of Edward Gibbon Wakefield.

"Mr. Wakefield contended that colonial land should be sold at a "sufficient" price, at a uniform rate, so high as to prevent laborers from buying it; that it should be sold in large blocks and the purchase money expended in bringing to the colonies healthy and capable young men and women of the laboring classes, who, being debarred from becoming land owners themselves, should continue to work for wages, and thus guarantee a perpetual abundance of cheap labor for the benefit of the capitalist."

"This frank acknowledgment and practical object lesson of the power of untaxed landlordism was doubtless an important factor in arousing the thought which has begun to check its power."

THE GREAT CHANGE.

REINS OF GOVERNMENT CAPTURED BY THE PEOPLE.

THE RESTORATION OF CONFIDENCE.

Under the above headings, *The New Zealand Times* (a Government organ), in a "Special Pre-Election Edition" issued on November 18th, 1911, very ably summarizes the benefits accruing from the Land Tax of 1891, which it very evidently and very rightly regarded as the brightest jewel in the crown of Liberalism.

"The general election at the end of 1890 and the change of Government following at the beginning of 1891, when the Conservatives bade their last sad farewell to the Treasury benches marks a turning-point of momentous

importance in the history of this country. By a great popular vote at that election the people rejected the Simple Plan for the Golden Rule.

The financial and trading position of New Zealand at that time was appallingly bad. This is a matter of notoriety, not of dispute. For years the people had been really doing what Mr. Massey and his henchmen and claquers incorrectly say they have done recently—they had been fleeing the country, scuttling by the thousand from a Tory-ridden land. During the seven years immediately preceding the inauguration of the era of the new democracy the excess of departures over arrivals was just under 2850 per annum. This was immediately changed. The exodus was converted into an influx. Confidence took the place of despondency. Immigrants arrived; deserters returned. The very first year showed a gain of nearly five thousand souls, and the second a gain of over ten thousand as contrasted with the previous annual loss of 2,850. In the first seven years of the Liberal regime there was a yearly excess of arrivals over departures of no fewer than 3,634 persons. Thus the statistics of migration show this remarkable transformation:

Seven years preceding March, 1891.....	Loss 19,938
Seven years following.....	Gain 25,438

These figures, however, express the situation rather feebly unless the expenditure on immigration is taken into account. Official blue-books show that in the septennial periods under notice the State spent money for the stimulation of immigration as follows:—

1885 to 1891.....	£67,726	2s.	10d.
1891 to 1898.....	841	1	1

Thus while it cost the country nearly £68,000 to lose 20,000 of its population in the days preceding the Tory debacle, it cost £840 to gain 25,000 under Liberalism * * *

PROPERTY TAX UNJUST AND MISCHIEVOUS.

Is any seriously minded person prepared to argue that this migratory somersault has no connection with the death of Conservatism?

Why had the people run away from New Zealand in such astonishing numbers? Because of bad finance. Because the poor were taxed to save the rich. Because the national debt was then a very real burden on the nation, while the wealth went to a privileged few. Because food was heavily taxed and land was at once untaxed as well as monopolized.

Why did the people return after 1891? Because the financial policy underwent a complete revision. Land and wealth were called upon to contribute. Taxes were lifted from the shoulders of the poor and placed on those of the rich. The new, strong Liberalism created a new spirit in the community—the spirit of hope.

The first principal act of the Ballance Government was to repeal the

property tax in favor of land and income taxes—to charge broad acres and capital with a share of contribution towards the requirements of the public exchequer. The property tax was unjust in its incidence and mischievous in its operation. It was, indeed, one of the worst features of a system of finance wholly and deplorably bad—a system under which a party professing free-trade principles put a tax averaging more than 4s. in the £1 on all imported foods and raised 75 per cent. of the total taxation through the Custom House in order that land values and wealth might escape! Well may it be said of that party, which exists to-day in an attenuated form, a remaining fragment presided over by Mr. Massey:

The good old rule
Sufficeth them, the simple plan,
That they should take who have the power,
And they should keep who can.

And how did they take and keep—they who were given the power by a vicious finance designed to make the masses pay while the classes profited? The property tax hindered production and

CAUSED UNEMPLOYMENT BY PENALISING IMPROVEMENTS.

Every building or fence over the value of £500 was taxed. Everything that made for national prosperity and wealth, everything that would provide work, that would stimulate industry, was discouraged by this tax. The State deliberately invited the landowner to take the maximum of return from his land at the lowest possible minimum of expenditure. To avoid taxation improvements were neglected in favor of broader and even broader areas of acres, until two-fifths of the value of the whole of the rural land in New Zealand was held by one-eightieth of all landholders having more than five acres each. In 1891 less than 600 persons owned 10,400,000 acres of land. In round numbers one-sixth of the Dominion was held by 580 individuals!

But in that year only 31,867,505 acres of land in the country, or less than half the territory of the Dominion, was occupied, so we find not only that this handful of 580 persons occupied one-sixth of the whole area of the islands, but had actually obtained possession of one-third of all the land that had passed from the Crown—or, in other words, the people!

“To narrow it down further, in 1891 very nearly one-fourth of all the occupied lands—7,840,202 out of 31,867,505 acres—was held by 261 persons!

THE MASSES PAID FOR THE CLASSES.

“And the masses were paying heavily through the Customs so that the landed aristocracy might get off practically scot-free. The people were paying heavy interest on a public debt, mainly unproductive, in order to supply the land monopolists with railways and roads and other facilities. Over six hundred thousand persons allowed themselves to be taxed in order

that a few hundred might remain in undisturbed possession of ten and a half million acres of land.

"Those were indeed the days when wealth accumulated and men decayed—or, as we have seen, men left the country so that they might not decay. But it was not national wealth that grew. It was a consolidation and aggregation of the natural heritage of the people. That was the result of the property tax; *the inevitable outcome of having no land tax*. Under the property tax the masses were made to subscribe the funds to enrich the classes. The people sowed; the landlords reaped."

The *Times* describes how the Landlord Party raved and blustered and predicted the most disastrous consequences, and asserted that the people would soon ask them to revert to the property tax.

"But, as a matter of indisputable fact (it declares) any proposal to repeal the land taxes, any attempt to persuade the electors to allow such a course, would be as futile as a campaign to make believe that the world is flat, as Conservatives of old insisted it was.

"Well, the property tax was thrown overboard as a relic of the bad old days of legislation for the classes, and the land and income taxes were instituted. The property tax in its last year yielded £357,000, or a trifle over 10s. per head of population; in 1910–11 the land and income taxes brought in to the exchequer £1,035,958, or practically £1 per head of the people. The land tax was, as already indicated, of a two-fold nature—an ordinary charge of 1d. in the £1 with an exemption of £500, and a graduated scale commencing at $\frac{1}{8}$ d. in the £1 on values between £5000 and £10,000 and ranging up to $1\frac{3}{4}$ d. in the £1 on estates worth £210,000 and over.

HISTORY OF LAND TAXES.

SCHEDULES IN DETAIL—THE SUCCESSIVE CHANGES.

In order that there may be no opportunity for dispute, it will be well to give in their sequence particulars of the scales of progressive land tax that have been imposed.

FIRST TAX—1891.

Where the value was	And was less than	Fraction of penny in	Where the value was	And was less than	Fraction of penny in
£	£	£	£	£	£
5,000	10,000	$\frac{1}{8}$	90,000	110,000	1
10,000	20,000	$\frac{1}{4}$	110,000	130,000	$1\frac{1}{8}$
20,000	30,000	$\frac{3}{8}$	130,000	150,000	$1\frac{1}{4}$
30,000	40,000	$\frac{1}{2}$	150,000	170,000	$1\frac{3}{8}$
40,000	50,000	$\frac{5}{8}$	170,000	190,000	$1\frac{1}{2}$
50,000	70,000	$\frac{3}{4}$	190,000	210,000	$1\frac{5}{8}$
70,000	90,000	$\frac{7}{8}$	210,000 or over		$1\frac{3}{4}$

Improvements up to £3000 exempted.