

THE SINGLE TAX REVIEW

A Record of the Progress of Single Tax and Tax Reform
Throughout the World.

NEW ZEALAND.

THE COUNTRY AND THE WAR FOR ITS GOVERNMENT
BY THE PEOPLE.

THE STORY OF THE SINGLE TAX MOVEMENT UNDER THE
SOUTHERN CROSS.

(For the Review.)

By ARTHUR WITHEY.

DISCOVERY, RESOURCES AND CLIMATE.

New Zealand, discovered by Abel Jansen Tasman, the Dutch navigator, in 1642, and next thereafter visited by Captain Cook in 1769, consists of three main islands—the North, the South, and Stewart Islands, together with several groups of smaller islands. The main islands have a coast line 4,330 miles in length—North Island, 2,200; South Island, 2,000; and Stewart Island, 130 miles. And their area is, in round figures, 66,000,000 acres, as against 77,000,000 acres for the British Isles.

New Zealand, in the language of the official Year Book, is firstly a pastoral and secondly an agricultural country. Sown grasses are grown almost everywhere, the extent of land laid down being more than thirteen millions and a half acres. The soil is admirably adapted for receiving these grasses, and after the bush has been burnt off, is mostly sown over without previous ploughing. In the South Island a large area is covered with native grasses, all used for grazing purposes. The large extent of good grazing land has made the Dominion a great wool, meat and dairy produce country; while its agricultural capabilities are, speaking generally, very considerable. The abundance of water and the quantity of valuable timber are other natural advantages.

New Zealand is, besides, a mining country. Large deposits of coal are met with, chiefly on the west coast of the South Island. Gold, alluvial and quartz, is found in both Islands, the yield having been over seventy-seven millions (385 million dollars) in value to the present time (1911).

POSSESSED OF EVERY NATURAL ADVANTAGE

New Zealand, in short, possessed of every natural advantage and with an area only 11,000,000 acres less than that of the British Isles, could readily support a population of forty to fifty millions; just as the United States, with an area about thirty times that of the British Isles, could readily support the entire present population of the whole world, and yet be no more overcrowded than is the United Kingdom, which, as Prince Krapotkin and other authorities assure us, could easily support on home grown food three times its existing population.

But, to many short-sighted people, New Zealand seems to be just as overcrowded with little more than a million people all told, as the United Kingdom with its forty-five millions and the United States with less than one hundred millions. To these short-sighted folk the foolish and blasphemous teaching of the Rev. Dr. Malthus, that population is constantly pressing against the natural barriers of subsistence, seems to be a simple statement of self-evident facts. They do not realize that the Creator has provided enough and far more than enough for all the children of men. They cannot, or will not, see that population is pressing all the time, not against the natural barriers of subsistence, but against the artificial man-made barriers of a dog-in-the-manger land-lordism.

Thanks to land monopoly and land speculation slum conditions obtain in all the cities of New Zealand. These slum conditions, of course, are not so bad as those to be found in the Old Country or in American cities. But, manifestly, as population increases, the people will become "piled upon one another" in New Zealand as in older lands. And New Zealand has already had a sweating system only too nearly approaching that which blights and disgraces the Mother Country and the States. Fancy a labor market so "overstocked" as to develop sweating conditions in a country with at that time, little more than 600,000 souls to its 66,000,000 acres!

And all these evils might so easily have been avoided!

HOUSE OF COMMONS COMMITTEE SUGGESTS A LAND TAX.

Nor must it be supposed that the founders of the laws and institutions of this colony started on their work entirely unassisted. That was not so. "In the year 1844," said Mr. H. W. Farnall in an address—"The Industrial Depression in New Zealand: Its Cause and Its Only Cure"—delivered to the Auckland Knights of Labor, January 8th, 1890, "a Committee of the House of Commons was appointed to take the affairs of New Zealand into consideration, and make suggestions as to the course she should steer. Some of Britain's ablest statesmen were on this committee; they sat for a long time and examined a host of witnesses, the report of the proceedings occupies a very bulky volume, but in their report they make a great point of one thing, and this they most earnestly impressed upon the English Parliament and those engaged in framing our institutions. That was, that before all else a

land tax should be at once imposed. The committee points out that unless this be done precisely what we see before our eyes in this year of jubilee, would happen. The whole country would be monopolized by a few in large estates, *bona fide* settlement would stagnate, and the masses would be pauperized. It seems rather a singular thing (added Mr. Farnall) that a committee of Englishmen, chiefly landowners, who it is to be supposed fully realized the comfortable position that they themselves were in through land monopoly, should have strongly warned this colony against the same thing. But they did so in the most emphatic manner, though nothing came of it. I claim (he said) that the neglect to impose this land tax was one of the main causes of the trouble from which we have for years been suffering, and from which we shall continue to suffer and go from bad to worse until such a tax is imposed."

The Report of the Select Committee of the House of Commons, appointed "to inquire into the state of the colony of New Zealand, and into the proceedings of the New Zealand Company, and to report thereon to the House," was ordered by the House of Commons to be printed, "together with the minutes of evidence, appendix and index," on July 29th, 1844, and contains close on 1,100 foolscap pages.

AS A SAFEGUARD AGAINST LAND SPECULATION.

The Committee consists of Mr. Aglionby, Lord Francis Egerton, Viscount Howick, Mr. Geo. Wm. Hope, Mr. Robert Clive, Mr. Hawes, Sir Robert Harry Inglis, Viscount Ebrington, Mr. Charteris, Sir. John Hanmer, Mr. Milnes, Viscount Joscelyn, Mr. Roebuck and Mr. Wilson Patten. And on pages XI-XII of the Report we read:—"It is an evil of which the experience of other colonies affords frequent examples, that the progress of settlement is impeded by land coming into the possession of persons who endeavor to derive a profit, not from its improvement, but by suffering it to lie waste until it acquires a value from labor and capital expended in the surrounding districts; it, therefore, appears to us, that means should be taken to guard against this abuse in New Zealand. This will, we trust, be to a great extent effected by the regulations which will prevent property in land being acquired otherwise than by purchase; but as a further security, we would recommend that some part of the colonial revenue should be raised by means of a tax upon land. On the North American continent, when a tax has been imposed upon land with a view of checking its being held by persons not really intending to make use of it, we believe the tax has been levied upon wild land only. Looking, however, to the difficulty of accurately determining the degree of improvement which should exempt land from a tax applying only to that which is designated as wild, and to the facility thus afforded for evading the burden, it appears to us more advisable that such a tax should be imposed on all land, whether wild or otherwise. If the tax were low (we think it ought not to exceed 2d. an acre) it would be unfelt as a practical burden on land really turned to profitable account, while even this small payment

recurring annually, would powerfully tend to discourage the retention of land by parties deriving no immediate advantage from it.

TO DISCOURAGE THE RETENTION OF LAND.

"Such a tax (the Report proceeds) ought not, of course, to apply to land now occupied by the Natives. or to that held as reserves for their benefit. The land granted to the New Zealand Company ought also to be regarded in a different light from that held by private individuals; they have obtained that land in the character of agents for the public in carrying on the work of colonization; so long, therefore, as they adequately discharge the duties belonging to that character, they ought not to be subjected to the tax in respect of land they hold for this purpose; at the same time, care should be taken that no privilege capable of being abused should be given to them. We would, therefore, suggest, that the land remaining unsold in the hands of the Company should be free from the tax, so long as the extent of land so held should not exceed that which would remain to them supposing that from the commencement of their operations they had sold one year with another one-twenty-fifth part of the land assigned to them by the Crown. Should their sales upon the whole fall short of this, they might fairly be required to pay the tax upon the difference. It might also be proper to insist, as a condition to their enjoying the proposed exemption, that a fixed proportion of the proceeds of their land sales should be applied to the promotion of immigration. * * *

The exemption of the lands of the New Zealand Company was, to say the least, a very dubious policy; and to-day it is recognized that a land value tax, not an acreage tax, is the best form of land tax, while even the Natives would be benefited rather than injured by a form of taxation which, instead of taxing necessities and discouraging improvement, would encourage them to put their land to its best use. But the Committee clearly recognized the

DANGERS INSEPARABLE FROM LAND SPECULATION

and dog-in-the-manger land monopoly, and they realized at least that the taxing power of the State affords an effective means of checking such speculation and monopoly. It may be objected that their suggested land tax (2d. per acre) is extremely low; but, seeing that much of the land would not be worth more than a pound per acre, at the very outside, the tax would be equivalent to one of 2d. in the £ on the selling value, or about 4/ in the £ on the yearly value of the land; and the Committee's recommendation was manifestly directed against large idle holdings of country lands rather than against speculation in town sites, the towns being at that date very small and very few and very far between.

THE COLONY'S EVIL GENIUS.

Had the Committee's warning been heeded the history of New Zealand—industrial, social and political, would have followed a very different course

from that which alas! has been its history. But the warning of the select Committee, based though it was upon the bitter experience of older colonies, passed unheeded. There was present at the birth of the young colony the same evil genius who had inveigled the other Australasian colonies from the right path—Edward Gibbon Wakefield, a man who understood the land question possibly as well as Henry George understood it, but who used his knowledge, not to free the people, but to enslave them.

Edward Gibbon Wakefield, "that observant economist and cold-blooded Philistine," as Max Hirsch calls him in the concluding chapter of "Democracy versus Socialism," found the land so free that the people also were free, land so cheap that labor was, from the point of view of the would-be exploiters, unconscionably dear; and he did not rest till he had made the land dear and labor cheap, till by means of land monopoly he had artificially manufactured wage slaves for the benefit of the exploiters.

This is shown in detail in the final chapter of "Capital," which Karl Marx, the great German Socialist writer, devotes to an exposition of Wakefield's "Modern Theory of Colonization."

THE MANUFACTURE OF WAGE-WORKERS.

"It is the great merit of E. G. Wakefield," says Marx, "to have discovered, not anything new about the colonies, but to have discovered in the colonies the truth as to the conditions of capitalist production in the Mother-country. As the system of Protection at its origin attempted to manufacture capitalists artificially in the Mother-country, so Wakefield's colonisation theory * * * attempted to effect the manufacture of wage-workers in the colonies. * * *

"First of all, Wakefield discovered that in the colonies property in money, means of subsistence, machines, and other means of production, does not as yet stamp a man as a capitalist (*i. e.*, as an exploiter of labor, for it is in this sense that Marx uses the word "capitalist") if there be wanting the correlative—the wage-worker, the other man who is compelled to sell himself of his own free will. (Much as in comic opera one is *compelled to volunteer*!) He discovered that capital is not a thing, but a social relation between persons, established by the instrumentality of things. Mr. Peel, he moans, took with him from England to Swan River, West Australia, means of subsistence and of production, to the amount of £50,000. Mr. Peel had the foresight to bring with him, besides, 3,000 persons of the working class—men, women, and children. Once arrived at his destination, 'Mr. Peel was left without a servant to make his bed or fetch him water from the river.'

"SLAVERY, THE SOLE NATURAL BASIS OF COLONIAL WEALTH."

" 'In the Northern States of the American Union,' says Wakefield, 'it may be doubted whether so many as a tenth of the people would fall under the description of hired laborers * * * In England * * * the laboring class compose the bulk of the people.' Nay, the impulse to self-expropriation, on the part of laboring humanity, for the glory of capital,

exists so little, that slavery, according to Wakefield himself, is the sole natural basis of colonial wealth * * * 'The first Spanish settlers in San Domingo did not obtain laborers from Spain. But without laborers their capital must have perished or at least must soon have diminished to that small amount which each individual could employ with his own hands.'

EXPROPRIATION FROM THE SOIL THE BASIS OF EXPLOITATION.

We have seen that the expropriation of the mass of the people from the soil forms the basis of the capitalist mode of production. The essence of a free colony, on the contrary, consists in this: that the bulk of the soil is still public property, and every settler on it, therefore, can turn part of it into his private property and individual means of production without hindering later settlers in the same operation. This is the secret both of the prosperity of the colonies and of their inveterate vice—opposition to the establishment of capital (as an exploiter, of course). 'Where land is very cheap, and all men are free, where everyone who pleases can easily obtain a piece of land for himself, not only is labor very dear, as respects the laborer's share of the produce, but the difficulty is to obtain combined labor at any price * * *'

Wakefield, in short, shows that free access to land, by enabling some laborers to employ themselves, raises the wages of all labor to a high level, and substitutes for the existing competition between laborers for employment the competition of capitalists with each other for laborers. In short, free access to land results in

COMPETITION FOR WORKERS, NOT FOR WORK.

And he further shows that, under such conditions, labor having access to land, the position of labor in higgling for its reward is stronger than that of capitalists, for, he declares, "Without laborers their capital must have perished, or at least must soon have been diminished to that small amount which each individual could employ with his own hands."

Marx concludes the chapter from which these quotations have been taken, and his book, as follows:—

"However, we are not concerned with the condition of the colonies. The only thing that interests us is the secret discovered in the New World by the political economy of the Old World, and proclaimed on the house-tops, that the capitalist mode of production and accumulation, and therefore capitalist private property, have for their fundamental condition the annihilation of self-earned private property—in other words, the expropriation of the laborer"—that is, the exclusion of labor from the land.

"Open the land to labor, (comments Max Hirsch), give to all equal rights and equal access to land, and what Marx terms "the capitalist mode of production"—the subjection of labor—is ended, as he himself shows."

That Wakefield's plan for the artificial manufacture of wage slaves proved

ONLY TOO SUCCESSFUL,

the industrial history of the Australasian colonies very clearly shows. But happily, the Australasian colonies, under the guidance of the brilliant genius of Henry George, are now turning their faces to the light, and are realizing, surely if slowly, that in the Single Tax lies the way out of "darkest capitalism."

They have made a beginning, as yet only a beginning, of opening the land to labor and giving to all equal rights and equal access to land. In each one of the Australasian Colonies to-day taxation of land values is in force in a small measure for national or local purposes, or for both. But, small though the taxes are, enough has already been done to show that the colonies have at last entered upon the right path, and that, if they but continue in well-doing, all will yet be well.

But, in the beginning of the work of colonization, the exploiting classes had it pretty well all their own way.

THE NEW ZEALAND COMPANY A FAILURE.

"Taking the side of public opinion, on his system of colonization, at the flood, Mr. Edward Gibbon Wakefield, and a large circle of friends and admirers, had registered a joint stock company destined to become famous, or rather, infamous, as "The New Zealand Company." This corporate body was formed for the purpose of colonizing New Zealand upon Mr. Edward Gibbon Wakefield's plan, and to make money."

We take the above quotations from a short history of the Company, given in W. L. Rees' "Life and Times of Sir George Grey."

The formation of the Company, about the year 1838, marks the beginning of the infamous system of land speculation which has cursed this country ever since. It was formed for the express purpose of putting in practice the Wakefield scheme of colonization—a scheme which depended on securing cheap labor by keeping land at a price beyond the reach of laborers.

Wakefield, in his book on the "Art of Colonization" declared, with perfect truth, that dear land would always make labor cheap, and that cheap land would always make labor dear, and therefore he said (page 370):—"If the colony could depend for labor upon nothing but the increase of people by births on the spot, it would be requisite to make the sufficient price of land high enough to keep wages down to an Old Country rate, and to prevent most laborers from ever becoming landlords."

Thus we see that the Company's leading idea was to give effect to Wakefield's plan for securing cheap labor by making land dear.

In January, 1840, the Company's first detachment of settlers landed in Wellington at Petoué. "They were allured," says Mr. Rees, "by the prospects held out to them, and had paid large sums of money in London for the lands which they were to occupy in New Zealand. At the time of these sales the company had no land, nor did it until the period of its dissolution ever place a solitary settler upon a single acre of land with a good title acquired by it from the natives. It sent a fleet with immigrants to Wellington, and it had no land there on which to place them. It then located them at the

Hutt and other places upon disputed lands, which led to a long series of sanguinary conflicts and murders. It dispatched a large party to Nelson, and its efforts there to take the lands of the natives by force ended in the conflict and massacre at Wairau."

The promoters and share holders of the company seem to have been possessed of the idea "that New Zealand was made especially for them, that they had, or ought to have the right to rule, to legislate for their own benefit, to acquire great estates in land as their own inheritance, to use the public money, the public credit, and the public patronage for themselves and their friends."

The natural successors and representatives of the base aims and false ideas of the company fill the ranks of the landlord party today, and it is as true now as it was twenty years ago when Mr. Rees wrote that:—"The same struggle is being maintained now as commenced between Captain Hobson and the Wakefields (*i. e.*, *E. G. Wakefield, the author of the brilliant idea of the perpetual enslavement of labor by land monopoly, and his relative Colonel Wakefield who was hurriedly despatched to obtain land from the natives,*) in 1840; continued between the Wakefields and Captain Fitzroy in 1843; and afterwards between Sir George Grey, aided by Bishop Selwyn and Sir William Martin on the one side, and Sir William Fox, Sir Charles Clifford, Dr. Featherston, Mr. Weld, and the whole host of land speculators and land jobbers who sided with them."

Finally the company, after a mischievous existence of about twelve years, closed its ignominious career, "without having given a single legal title to a single individual" and "leaving the whole colony burdened with a debt of £268,000."

BUT WAKEFIELD'S IDEALS IN THE ASCENDANT.

Wakefield's ideals, however, if we may call them such, were in the ascendant; and thanks in the first place to the great power of the landlords in the early Provincial Councils and later to the Plural voting system, which gave a landholder a vote in every constituency in which he held land, the land laws were made by land monopolists for land monopolists. The country was, for the most part, parcelled out amongst big runholders, of "squatters" as they were termed, and the small settlers were forced away into the back-blocks. The evil effects of this system became very manifest even as early as 1858, manifest to the monopolists themselves; and in "The Canterbury Rhymes," published in that year, the late Crosbie Ward (then Editor of the *Lyttelton Times*), satirised as follows the willingness of the runholders to shed the last drop of their brother's blood in order to remedy matters:—

* * * * *

When he stopped, rose Jonniol-tok,*
Shrewd and subtle Jonniol-tok
He the double-barrelled justice
Ever brought to give opinions;

*"Johnny-all-talk," Sir John Hall.

And at once he shoved his oar in
 In his customary manner:—
 "I assent to these proposals
 With a trifling reservation,
 Ye will sweep away conditions
 Which tie up the land so closely,
 Only ye'll except the squatters—
 Will not touch the rights of squatters,
 Of the shepherds and the stockmen.
 Ye shall take the rights of farmers,
 Of the millers, bakers, butchers,
 Tailors, drapers, clothiers, hatters,
 Soldiers, doctors, undertakers,
 Of storekeepers and bootmakers ,
 Of all trades and occupations,
 Of all persons in the province,
 But the shepherds, the runholders;
 Them ye shall not touch or injure."
 Thus he spake and gave no reason,
 Shrewd and supple Jonniol-tok.

* * * * *

Then spoke ragged Bobirodi,*
 The hard-headed one from Yorkshire;
 He the prince of all the squatters,
 Largest holder of runholders—
 "Ye remember old Suellis,†
 Councillor with us of old time:
 Crafty statesman, cunning prophet,
 He who taught us all our wisdom,
 He arranged the matter for us,
 And he said it should not alter,
 Should remain as he had left it,
 As he prophesied, so be it."

* * * * *

And the very big man Stunnem,
 Moving only eyes and shoulders,
 Mutely making demonstrations;
 Saying nought was most impressive;
 Then the shepherds in a chorus,
 Squatters and the friends of squatters,
 Begged, implored, and prayed the Council
 To consider all their hardships;
 How their rents were so oppressive,
 How their wool was sold for nothing,
 How they could not sell their wethers
 For the paltry price of mutton,
 How the market rate of stations
 Showed it was a losing business,
 And they begged and prayed the Council
 To maintain the old conditions
 That had tied the land so closely,

*Robert Rhodes. †Sewell.

Only on behalf of squatters,
Sweeping quite away the others.

* * * * *

Few were bold enough to argue
In reply to Bobirodi
To the very big man Stunnem,
To the subtle Jonniol-tok.
And the few that stood their ground there—
Stood their ground and asked for justice,
Simple justice to all classes—
They were bullied and brow-beaten,
Called to order, reprimanded
By the big men, the stock owners,
Squatters, and the friends of squatters,
And the timid ones around them,
Who would fain be friends of squatters.
So the fluent Secretary,
Oloware, the rapid speaker,
With his colleague sitting by him,
Tomicas, the Chief Surveyor,
Gave them all that they demanded,
Granted all the boon they asked for,
Never dared to raise objections,
For they feared the mighty squatters.

* * * * *

And they kicked the farmer backward,
From the fertile spots of country
In the region of the Westward,—
Never minding the hereafter.

SIR JULIUS VOGEL'S GREAT PUBLIC WORKS AND BORROWING POLICY

The next outstanding incident in the history of New Zealand was the introduction by Sir Julius (then Mr.) Vogel in 1870 of his great public works and borrowing policy. For two or three years prior to 1870, the colony had, as a result of the suicidal land policy above indicated, been in a state of complete stagnation and depression; immigration had almost entirely ceased; the revenue had fallen off from £1,862,000 in 1866 to £1,287,000 in 1870; all enterprise was checked, and a spirit of doubt as to the future had fallen like a dark shadow over all classes of the community—in short, all the conditions were about as bad as they could be.

In introducing his scheme in the House of Representatives, Mr. Vogel, who held the office of Colonial Treasurer, said:—"I now ask you to recognize that the time has arrived when we must set ourselves afresh to the task of actively promoting the settlement of the country. We recognize that the great wants of the colony are public works in the shape of roads, railways and immigration. I do not pretend to say which is the more important, because the two are, or ought to be, inseparably united * * * Speaking broadly, I contend that during the next ten years the colony will run no

risk if it commit itself to an expenditure (or a proportional liability for guarantee of interest) of ten millions for railways and other purposes comprised in these proposals * * * But there is another source from which to anticipate a reduction in the money cost—*the land should be made to bear a considerable portion of the burden.* We propose that authority should be given to contract for the railways by borrowing money, by guaranteeing a minimum rate of profit or interest, *by payments in land*, by subsidies, or by a union of any two or more of these plans. The contractors may want some money, but they should be glad to receive some land to yield them a profit consequent upon the effects of the railway; and similarly, if the routes be judiciously selected, the contractors should be glad to keep the railways with the security of a minimum guarantee * * * In some cases the Government might take as collateral security *the results of a special tax*, or a mortgage over particular properties, such as railways in course of construction, or over rents and tolls * * * I suppose that some 1,500 or 1,600 miles of railway will require to be constructed, and that this can be effected at a cost of £7,500,000, together with two and a half million acres of land, and that in addition, about a million will be required to carry out the other proposals I am making * * * Suppose that this money is expended at the rate of £850,000 a year for ten years * * * So confident are we that a great deal of the work comprised in these proposals can be effected by guarantees or subsidies, and *by land payments*, that we seek authority to directly borrow only six millions to carry out our proposals, including immigration. For the first three years the payments will be so inconsiderable as to leave little room for apprehension of difficulty in finding the money. After three years, supposing that extraordinary sums are required, will it be a great hardship to increase the stamp duties, or to have a house tax, or an income tax, or some tax which will

TOUCH THAT LUCKY CLASS, THE ABSENTEES

who enjoy all the advantages, whilst they share not the burden of the hard colonizing labors, without which the most favored country on the globe's surface could not attain permanent prosperity?" Dealing in the same speech with the question of immigration, Mr. Vogel said, "It is essentially one of the greatest questions of the day, a question of transferring to lands sparsely populated portions of the excessive populations of old countries. From whatever point of view you regard it, whether from the highest social, or the narrowest pecuniary view, immigration is a profit to the State, if the immigrants can settle down and support themselves * * * what cultivation is to the farmer, what sheep breeding to the runholder, what an increase of clients to the professional man, are *immigrants, if they become settlers*, to the State.

Other speakers in the course of the debate emphasized even more strongly the necessity for retaining permanently in the country by settling them on the land the immigrants attracted to New Zealand by the public works policy.

Mr. Richmond, for example, speaking of the West Coast of the North

Island, and evidently impressed with the enormous possibilities of New Zealand under a proper system of settlement, said:—

"My conviction is, that the carrying capacity of the West Coast (now the most prosperous dairying district in the Dominion) is enormous. I believe that the whole district from Manawatu to the White Cliffs, is capable of supporting a family for every 50 acres. There is a point of great importance that should be considered in our immigration scheme; it is one thing to bring immigrants to a colony, but it is another thing to keep them there. I think that we shall fail if we neglect to provide that great attraction which all accustomed to rural life look forward to when coming to a strange land, *I mean a footing on the soil.* My belief is, that an essential condition of permanent settlement in this country is *a liberal land law for immigrants.*" "For the present at all events," added Mr. Richmond, "I have not the boldness to propose that we in this House should undertake in any serious degree to modify the local

LAND LAWS, WHICH ARE THE ABOMINATION OF THE COUNTRY.

I think it would be quite possible * * * Without bringing on my back the squatting interests of New Zealand, it appears to me that I could conceive of some regulations running parallel with the whole of the land regulations, with the single view to the settlement of immigrants. The men who have most certainly improved their position in this country are the laborers *who have got on their own land* and worked it for themselves. I would not throw any difficulties in the way of their occupying the land, but would facilitate it by every means."

Mr. Stafford spoke very strongly on the same lines, declaring that in order to "make provisions for settling these immigrants throughout the length and breadth of the country, especially upon the arterial lines of communication which it is proposed to construct," he would be "*prepared to walk over the heads of the whole existing land laws of New Zealand.*" There is," he added, "a large part of the Middle Island of New Zealand familiar to me, where at the present time it is

ALMOST IMPOSSIBLE FOR WORKING MEN TO OBTAIN A PLACE FOR THE SOLE OF THEIR FEET.

Where whole districts have been carved out into large estates by the operation of a most pernicious system of land laws, a system adopted in 1853, and against which, at the time, I emphatically protested. Large estates have been allowed to accumulate, upon which nothing but sheep are permitted to run, while large portions of them are fit to maintain industrious settlers."

Mr. Fitzherbert declared "the land question is the great theme * * * *The land must be opened to the people,*" and in committee on the Bill, he averred that "the very eyes of the country were being picked out every day, and it was impossible to form anything like systematic settlements." While Mr. Gillies and other members pointed out that the speculators were already

buying up land in advance of the railways. "Orders," he said, "had gone from this city, since the Bill had been placed in the hands of honorable members

TO PURCHASE LANDS WHEREVER THE RAILWAY WOULD PASS THROUGH.

He would suggest to the Colonial Treasurer, that unless some mode of valuing the Land before and after occupation were adopted, it would be ruinous to attempt to make a railway * * *

The Hon. Mr. Rolleston, one of the largest free holders in the colony, a man who for many years kept almost a whole county locked up from settlement, expressed the most liberal and patriotic sentiments with regard to other people's leasehold runs, and incidentally threw an instructive sidelight on some of the provincial land laws. "He saw around him," he said, "many honorable members who had possession in the shape of lease holds, who probably thought they ran no risk, but let them not think they would go scot free. The people—the power of this country—would sweep those leases away, and turn those lands to their proper legitimate account, by *converting them into homesteads for families*, and populating the country, instead of letting it remain

A WILDERNESS IN THE SHAPE OF A SHEEP-STATION * * *

While money was being expended (on the Maori war) in conquering a peace and reclaiming land in the North Island, the land in the South Island had been tied up in faster ratio. All the land in Nelson and Marlborough was leased for twenty-eight years, and was much more alienated from purposes of settlement than freehold land * * * *Those leaseholders were like dogs in the manger*; they could not put population on their land, and they would take care that nobody else did. * * * In the Province of Otago * * * they might call their land laws legion; and so complicated were those laws that any one arriving with, say £500, would find his money all gone before he could find out the land laws."

The whole debate, in short, emphasized the fact that little could be done to settle people on the soil, without a drastic settlement of the land question; and it was recognized that the proposed public works would greatly enhance land values, and that land monopolists and land speculators were likely to reap these values that should by rights have gone into the State coffers to pay for the roads, railways and other public improvements that created the values. But Mr. Vogel showed that he was

AFRAID TO DEAL WITH THE LAND QUESTION

lest the squatters should combine to defeat his proposals altogether. Thus he said—"The honorable member for Grey and Bell (Mr. Richmond) endeavored once more to obtrude that irritating question, the alteration of the land laws. If the honorable member were sincere in desiring to see our measures passed, he would not endeavor to obstruct their passage by obtruding

questions which he knows are of a nature likely to divert honorable members' minds from the consideration of those measures. He is sufficiently familiar with the interest which in this House centres in all questions relating to the land laws of the colony, to know, that if the question of a radical alteration in the land laws is raised, it will *supersede the consideration of the Government proposals.*"

Mr. Richmond followed in a short speech, in which he said—"We are providing means for bringing people here. but we are not providing attractions for the purpose of retaining them here. There is no attraction to the rural settlers which will compare with the attraction of settlement upon the land; and there is nothing on an American Continent which presents so powerful an attraction to emigrants as the facilities which are afforded them of settling down upon their own land." In the end Mr. Richmond voted against the Public Works Policy, "apparently foreseeing what has actually happened, viz., that the immigrants would be introduced and the railways made, not for the benefit of the people at large, but for that of the runholders, who in the meantime would find means to secure nearly all the cream of the country for themselves."

Thus comments Mr. H. J. Sealy, of Timaru, in a pamphlet significantly entitled, "Are We to Stay Here?" published in 1881, a pamphlet to which I am indebted for much of the foregoing in regard to Mr. Vogel's policy of 1870. Mr. Sealy was in 1881 a colonist of 22 years standing, and having been engaged for three years on the Government Survey Department in Hawke's Bay, and for twelve years in surveying for the Provincial Government in South Canterbury, while for the last five years he was a farmer and grain grower on an extensive scale, he was in a position to speak with some authority on the land question. "I am firmly convinced," says Mr. Sealy, "that

THE PRINCIPAL CAUSE OF THE FAILURE OF THE SCHEME OF 1870

has been the monopoly of the land of the colony by the holders of large estates;" and he adds, "I know, from personal experience, that so long ago as 1859, all the best land in Hawke's Bay had been bought up in large blocks at the price of 5/ per acre, and most of it has been locked up from settlement to this very day," and "the greater part of Canterbury is held in large blocks to the exclusion of small settlers."

The population of New Zealand in 1881 was just over half a million; and says Mr. Sealy, "according to published returns, there had been sold, up to the 30th of June, 1879, 14,014,000 acres. If this land had been settled on the American system of small farms, it would have provided homes for 91,600 farmers * * * This would have meant a rural population of about 733,000, and a correspondingly large increase in the town population, whereas we find from Census returns that there were only 13,767 freeholds of over one acre in extent—say, a population of about 110,000 engaged in farming."

Quoting the following list of great estates from a table prepared by the late Edward Jerningham Wakefield shortly before his death—

Estates			Acres
In Chertot	County	3 aggregating.....	170000
" Waikato	"	1 "	80,000
" Piako	"	1 "	38,000
" Marlborough	"	11 "	309,000
" Kaikora	"	2 "	41,000
" Amuri	"	8 "	248,000
" Ashley	"	4 "	116,000
" Selwyn	"	2 "	35,000
" Ashburton	"	4 "	44,000
" Gualomi	"	4 "	60,000
" Waimate	"	11 "	282,000
" Waitaki	"	8 "	153,000
" Waikouaiti	"	2 "	39,000
" Clutha	"	4 "	125,000
" Taupeka	"	4 "	115,600
" Southland	"	16 "	431,000
" Wallace	"	7 "	110,500
Total			2,398,100

Mr. Sealy says, "from this list you will see that ninety-two estates (all but two of which are in this South Island) embrace between them no less than 2,398,100 acres of freehold land, or an average of 26,175 acres each. These ninety-two estates, if divided into farms of the average size of those of the United States, *would provide homes for nearly 16,000 farmers*; whilst, if we allow for each farmer a wife, an average of four children, a ploughman, and a servant girl, we should have no less than 128,000 people subsisting on these ninety-two estates alone, which probably do not now average more than 30 souls on each, or about 2,700 in all."

BIG ESTATES VS. SMALL SETTLEMENT.

In contrast with these great estates, Mr. Sealy quotes portions of the report of Mr. James McKerrow, the Surveyor General and Secretary for Crown Lands, as to the "Deferred Payments, Agricultural Lease, Homestead, Village and Small Farm Settlements." "Summarizing the results of all the settlements," says Mr. McKerrow, "we had in New Zealand on the 30th June last, 3160 selectors, holding 374,425 acres, and liable for an annual payment of £65,000," which, as Mr. Sealy points out, "is half as much as the rent paid to the Government for the use of all the 13 millions and a half of acres of land, held under Pastoral Leases by the squatters of the colony, viz., £113,000."

And Mr. Sealy shows how large estates were acquired by the runholders at very little cost by juggling with "Improvement Pre-emptive Rights," "gridironing," "spotting," and other

METHODS THAT AMOUNTED TO DOWNRIGHT SWINDLING.

"The system of Improvement Pre-emptive Rights," he tells us, "secured enormous acres of land on each run without the owner having to pay anything at all for it. Thus, for putting up each shepherds hut (of one room!) a 50 acre Pre-emptive Right was granted, besides a 250 acre Home Pre-emptive over the head station; but most of all was the system of giving Improvement Pre-emptive Rights over wire fences, as 50 acres of Pre-emptive was given over every $38\frac{3}{4}$ chains of wire fence, these Pre-emptives were $38\frac{3}{4}$ chains long, and nearly 13 chains wide, so that by running sub-division fences up all the watered valleys, and across all the open flats nearby the whole of the run could be secured from purchase. In two cases in this particular district, fences were run along the main roads and then Pre-emptives taken out over them in such a way as to secure all the frontage. These fencing Pre-emptives could be taken parallel with the roads, whereas a *bona fide* settler wishing to purchase land, could only front on a road and run 40 chains back; but more than this, he was not allowed to buy within 40 chains of a road unless he fronted on it; so that, by taking a string of Pre-emptives along parallel to a road, the runholder actually secured from purchase 320 acres of land for every mile of fence he erected, at a cost of say £60, whereas the farmer would have to pay £640 in cash for the same amount of land, and then fence it at his own cost * * * On one run at least, huts and wire fences were shifted after Pre-emptives had been granted over them, to fresh sites, and then fresh Pre-emptives taken out for them. The total amount of Pre-emptives actually granted was very large, being over 55,000 acres in South Canterbury alone—8,000 odd acres being thus covered on the Levels Station, to say nothing of the much larger extent of country indirectly secured by the Pre-emptives as already explained. These 55,000 acres may be said to have been held unbought for ten years on the average, thus saving the interest on £110,000 annually to the runholders, and losing the same to the Government. Gridironing * * * consists in buying a series of 20 acre sections fronting five chains on a road and running 40 chains back, leaving 19 acres between each section unbought, as by the regulations no one could buy less than 20 acres without going to auction; this, however, was not very extensively resorted to, as it required too much cash outlay in proportion to results. *Spotting*, however, did much more harm, but was resorted to as a matter of course upon every run; this consisted in buying numerous small sections varying from 20 acres to 100 acres or upwards, scattered in such a way as to spoil as much as possible of the country for purchase by a farmer or any outsider; frequently these were taken in such a way as to cover all the small creeks in the valleys, thus leaving the adjacent downs and ridges

SECURE FROM PURCHASE, OWING TO THE LACK OF WATER.

Shepherds and other employees had orders to watch strangers seen on the run, and report them at headquarters; and so many an unfortunate farmer

(or would-be farmer), after wasting days in picking out a suitable selection, has found on going to the Land Office that he was too late, and that the piece of land he had chosen had just been secured for the runholder * * *

With regard to young men of the higher classes at home coming out with small capitals, they were generally well received and hospitably treated until they spoke of buying land, when they were quickly made to understand that they would lose caste if they did so; for, inconceivable as it might sound to American ears, or even in England, a public opinion had grown up, led by the runholders and their friends, that it was a mean action to buy land on a run; and, as the whole country was parcelled out into runs, it followed that a man could not buy land anywhere without offending the prejudices of the runholding class * * *

In South Canterbury, as in Hawkes' Bay, and doubtless in all other runholding districts of New Zealand and the colonies generally, public opinion had been so warped that the original end and aim of colonization—viz., the founding of homes for the people, was lost sight of; and the runholders and their managers, so far from being ashamed of the means they resorted to, to obstruct settlement, and circumvent the small farmer (the despised 'cockatoo'), rather plumed themselves on the discomfiture of the unfortunate men whose only crime consisted in attempting to get what had been the chief bait held out in inducing them to come to the colony—viz., a piece of land of their own on which they could live and bring up their family at peace with their neighbors; and where their own success and advancement in comfort would contribute to the welfare of the colony they had settled in. I have no hesitation in saying (he adds) that in New Zealand, as in other Australian colonies, hundreds, aye, thousands of promising young men, who, if they had been encouraged to buy land with a view to farming, would have turned out prosperous and successful colonists, have had their whole lives wasted through the fear of being thought to have acted dishonorably in buying land on a run, and sunk at last out of sight as aimless wanderers or improvident 'roustabouts' * * *

Even the bullock-drivers and other men employed on the runs were looked upon with suspicion if they saved up their wages, for fear they should buy land on their employers' run or that of one of his friends. The men were

ENCOURAGED TO 'KNOCK DOWN' THEIR EARNINGS

periodically, for two reasons—first, to keep them in the condition of willing servants, and secondly to avoid any risk of their buying land. Men seen on the runs were contemptuously designated 'land sharks' by the runholders; but the day will come when public opinion will acknowledge that the real 'land sharks' were the runholders themselves, who bought up enormous blocks, not because they wanted to cultivate them themselves, but solely in order to prevent other men getting a footing on the soil on which to make homes and rear their children."

If a visitor from another planet were shown the land laws and regulations

of New Zealand, as they existed up to 1881, and indeed for at least ten years later, he would at once exclaim; "Those laws and regulations were

MADE BY RUNHOLDERS FOR RUNHOLDERS."

And so in fact they were. "You must remember," says Mr. Sealy, "that in the early days the Provincial Councils in all the provinces, except Auckland and Taranaki, were composed mainly of runholders and of those merchants and others who depended chiefly on the runholders, and could not afford to quarrel with them; the farmers were mostly unable to spare the time and money required for attendance at the Council, whereas the squatters, with superior wealth and leisure, had no such difficulty, consequently the whole tendency of the Provincial Legislation naturally was still further to increase the privileges of the runholders and obstruct the advance of the small farmers." And, after the Provincial Councils were abolished (in 1875), the plural voting system still remained as a very effective buttress for the land monopolists. One can readily see why the squatters strenuously opposed the payment of Members of Parliament and adult suffrage, and why they were so bitterly hostile to Sir Geo. Gray, the one outstanding man of leisure, wealth, and influence who had both the will and the courage to uphold against their selfish tyranny, the rights of the common people.

"The Fencing Ordinances, the Impounding Ordinances, and other enactments (adds Mr. Sealy) were * * * framed entirely in the interest of the runholder as against the freeholder. Even the Road Boards were so constituted as to be potent engines for preventing the spread of settlement. The boards were generally composed of runholders and those immediately under their influence; so the working of the Boards tended in this direction. The money was all spent along the main roads where the land had been already secured for the run either by purchase or pre-emptive; care was taken not to open any new block or district, by making a road into it, until it had first been 'secured' by the runholders interested. If a 'cockatoo' bought fronting on a road which had been merely surveyed and not made, it might be years before he could get his applications attended to, and his land remained in the meantime almost useless; whereas, on the other hand, large sums were spent in making roads through the extensive blocks bought up by the runholders for their sheep to run on.

HUNDREDS OF MILES OF ROAD THROUGH UNINHABITED ESTATES.

I know that in South Canterbury alone there are hundreds of miles of roads formed, and in many cases also metalled, through uninhabited estates where you may travel for 10, 15, or 20 miles at a stretch without seeing a soul or the least sign of human habitation; and in some cases where no traffic has ever gone over the road except the carts used in its construction, until it has been rendered quite useless by the action of the rain cutting into what had been a road, when it became converted into a small gully. Roads described by the Lincolnshire Delegates, who visited New Zealand in 1880,

as even better than they had been accustomed to in parts of England. Roads "made during the height of the good times, when pick and shovel men were getting 10/ to 12/ per day!"

Mr. Sealy declares also that "most of the

RAILWAYS RUN FOR MILES AT A STRETCH THROUGH LARGE ESTATES,

which are now in progress of being rapidly *laid down in permanent pasture*, instead of being devoted to grain growing."

"Again," says Mr. Sealy, "*the system of rating* adopted by the Road Boards —(of course, the very opposite of the Single Tax or rating on unimproved values system)—*told against settlement*, as under it good land, if left unfenced and uncultivated, was let-off at a very low valuation, whilst similar *land under cultivation had to pay on an excessive valuation*. The rates on the leaseholds (runs) were most trifling, being based on the rental paid by the leaseholders; thus leasehold land was charged 1/ in the £ on, say 2d. per acre rental, whilst the same land on being bought would be rated as being worth from 5/ to 11/ per acre. Another anomalous regulation was, that though the runholder's stock could graze with impunity on a man's freehold block until he had ring-fenced it, yet the freeholders' stock could be impounded the moment they trespassed on the leasehold of the runholder, though altogether unfenced."

Referring to "the stations held by the New Zealand and Australian Land Company and the other large Absentee Companies holding properties in New Zealand," Mr. Sealy says, "Here you have enormous blocks of good agricultural land held idle merely as a speculation by absentees belonging to the commercial classes * * * It is well-known that the large investments made in New Zealand land by the Company, under the auspices of Mr. Morton, was one of the principal causes of the disastrous failure of the notorious Glasgow Bank—an event which carried ruin and misery into thousands of previously happy homes; and which failure indirectly brought on the financial crisis in this colony, and which has caused such irretrievable disaster here also * * * A short time ago we saw a paragraph in the papers, saying that the Committee of the Glasgow Bank had decided not to realize their New Zealand assets in the shape of land till the times became more favorable for selling. What meaning has this for the people of New Zealand? Why, sir, it means that every struggling 'cockatoo' or small tradesman has to contribute so much annually in taxation to meet the deficiency in the colonial revenue, caused by the payment of interest on money expended on the construction of railways through, and for the benefit of those estates; and has to pay this extra amount in order that the company may be able to hold those estates uninhabited, till other parts of the districts surrounding shall have become more densely peopled and highly improved, so as to give these estates enhanced value in the market. To put it more plainly; the New Zealand and Australian Land Company hold in Canterbury, Otago and Southland some 340,000 acres of freehold land, whilst the whole of the land

sold up to date in those provinces is only 6,600,000 acres, so that the above company actually holds about one-twentieth of the whole.

RAILWAYS MADE FOR BENEFIT OF ABSENTEES!

There has been spent on railway construction in those three provinces, according to the latest returns, about £5,473,000, a twentieth part of which sum would amount to about £273,500, which latter sum has, therefore, I maintain, been *spent practically for the benefit of the company's estates by the people of New Zealand*, and consequently the interest on that sum has to be found annually by the people of New Zealand, until such time as the company, by the sale of those estates, allow new contributors of the revenue to step in and relieve the present population of New Zealand of part of the burden. Or, to put it in another way, the company will have bought the Canterbury estates at £2 per acre, and the Otago and Southland ones at £1 per acre, say £500,000, the total purchase money; this land they expect to sell at an *average rate of about £8 per acre*, the enhanced value being due to the railways and other public works, and to immigration. If they succeed in selling at that price, then about £2,700,000 will be withdrawn from New Zealand and sent to Scotland for distribution amongst proprietors; and to allow of their realizing this great profit, all of us who remain in New Zealand will have to bear the burden of paying interest on the proportion of the Public Works Loan expended for the benefit of those estates. The same argument, of course, applies to all the other great freeholds, but the evil is not so glaring in the case of resident proprietors who spend their profits within the colony."

NO LAND-SHARKING UNDER SINGLE TAX.

Throughout the whole of Mr. Sealy's address there stands out plainly for all who have eyes to see the facts; (1) that if New Zealand had been colonized from the first on Single Tax principles (dimly glimpsed by the House of Commons Committee of 1844), instead of on the Wakefieldian utter want of principle, no landsharking would have been done by the runholders and by absentee land companies or others, for the simple reason that landsharking would not have paid; (2) that small farmers and others, instead of being driven into the backblocks or mercilessly bled by land monopoly and land speculation, would have had a fair chance to take up and settle comfortably upon the first land they came to not in actual use; (3) that roads, bridges, railways, and other public works, instead of being diverted, at great cost and great sacrifice of their usefulness to the public, by the "political pull" exercised by the great landholders who wanted their land to be enhanced in value—would have been placed just where they could be most economically made and at the same time best serve the public; and (4) that the increased land values created by loan expenditure on public works and on immigration, etc., being taken for public purposes, instead of being supinely allowed to flow into private pockets, the immigration policy, and roads, railway, bridges, breakwaters, schools, and other public works and services

would not only have paid for themselves but would have returned such a handsome surplus to the community that no local rates and no national taxes need ever have been levied upon the homes, the necessities, or the trade and industry of the people, and we need not now be in debt a single penny.

How different under such conditions would have been the history—industrial, social and political—of New Zealand! How different the history, for the past half century or so, of the whole civilized world! For the logic of events would soon have compelled all nations to follow New Zealand's example.

What ought to have been done was dimly recognized by Mr. Sealy. "I confess," he said, "I can see no possible solution of the difficulty but by reverting to the land tax, and making each estate pay something in proportion to the amount it would contribute to the revenue if it were held by numbers of small farmers, instead of by one proprietor or by a company of absentees. To do this equitably, it would be necessary to have a sliding scale, (as has been adopted, after violent opposition by the monopolists, in the neighboring colony of Victoria), according to the size of the estate, something after the following fashion, viz:—

Freehold Estates under 200 acres				Free			
"	"	over	200	"	and under	500 acres	1d. per acre
"	"	"	500	"	"	1,000	2d. " "
"	"	"	1,000	"	"	5,000	4d. " "
"	"	"	5,000	"	"	10,000	6d. " "
"	"	"	10,000	"	"	20,000	9d. " "
"	"	"	20,000	"	"	50,000	1s. 0d. " "
"	"	"	50,000	"	"	100,000	1s. 6d. " "
"	"	"	100,000	"	"	"	2s. 6d. " "

Two or more estates belonging to the same owners or company to count as one, for the purpose of computing the rate per acre. "Of course," he adds, thus showing that he recognizes that the value of the land should at least be taken into account, though he does not see that it is the true basis for taxation, "there would have to be modifications of the above scale according to the quality of the land * * * At any rate, the principle is perfectly just and fair, as the theory is, that *people should contribute towards the expense of the State in exact proportion to the benefit they derive from the protection of the State*; and if it suits a capitalist to hold a large tract of land to the exclusion of other people, it is quite fair that

"HE SHOULD PAY FOR HIS PRIVILEGE."

"The average customs revenue of this colony (he adds) is about £3-10-0 per head of the population; let us take this as a basis for comparing the tax payable under this scale by the land in large estates, with the same land if held in small farms * * * Take the estates of the New Zealand and

Australian Land Company, which * * * holds 340,000 acres of good land in New Zealand. Well, then, 340,000 acres at two shillings per acre would amount to a total of £34,000 per annum, but what would the same land give if divided into small farms? It would divide into 2,266 farms of 150 acres each; allowing as before eight souls to each farm, we should have 18,128 souls without reckoning dependent tradesmen. This, at £3-10-0 per head would mean a contribution to Customs revenue alone of £63,448 per annum, to say nothing of stamps, post office and other sources of revenue from the additional population, and the enormous increase of railway revenue which that population would ensure. Look at the subject in whatever light you may (he declares), whether as a matter of justice to the people who have been induced to come out here, expediency for the general welfare, or even absolute necessity in the interest of self preservation. I think most people studying the subject earnestly must admit, that some such *radical change in the incidence of taxation is necessary*; and not until it is made can we hope to escape from the depression and gloom which now overshadow and stifle the energies of the whole colony."

Mr. Sealy gives "the number of acres sold in New Zealand up to the end of 1878 as 13,820,281, of which 11,478,300 were sold for cash realizing £10,208,282. The land remaining in the hands of the Government is 5,080,000 in the North Island, and 29,786,000 in the South Island, but this nearly all consists of rugged mountain ranges and other waste country, which would not in all probability sell if offered at an average of 5/- per acre all round."

THE BALLANCE-GREY LAND TAX OF 1878.

The land tax that Mr. Sealy urged the country must revert to was the Ballance-Grey Land Tax of 1878, introduced by the Hon. John Ballance, then Colonial Treasurer, under the premiership of Sir George Grey; a tax of ½d. in the £ on all land values with an exemption up to £500, and accompanied by sweeping reductions of the Customs taxes on necessities of life. In his financial statement Mr. Ballance gave the net indebtedness of the colony as £20,906,118, and the annual debt charge, interest and sinking fund, as £1,915,318. Introducing the Land Tax Bill, he declared, "in a word," that "the people had come to the conclusion that, considering the increased value which the Public Works and Immigration Policy (of Sir Julius Vogel) had given to real property in the colony, it was not fair that the whole revenue should be derived from the Customs, and so come out of the pockets of the large mass of the people * * * It was necessary, therefore, that the Government should give the matter their earnest consideration * * * We propose to reduce the taxation on the necessities of life * * * The change we propose * * * will relieve the laboring classes of this country from a sense of unfairness, and from grievance which ought to be removed * * * *Land should be taxed owing to its enhanced value arising not from the industry expended by the owner, but from other circumstances—the increase of population, the general progress of society, the making of railways, etc.* This is one reason

why *improvements* which are the result of industry, the result of labor, *should be exempted from the tax.*"

In the course of the debate, Mr. Alf. Saunders (Cheviot) declared "The great principle in this Bill appears to me to be one of great importance.* * * I am exceedingly glad to find, after a discussion of some 25 years amongst us, that great and important principle is now brought forward by the Government in this House, and I believe it is likely to be carried through in this House. To me it appears to be a principle that we should have adopted from the very first. It is one that was considered necessary for us by Lord John Russell in 1845. It is one which, I am bound to say, has been studiously avoided and opposed, not with much reason, but with very much animation, wherever it has been suggested in the legislation of New Zealand. The reason is obvious. So long as land speculators and large land holders are predominant in any legislative assembly there is nothing they will fight for so strongly as that they should not be taxed, unless all other industries are taxed in equal proportion—that is, that we should not exercise discretionary power and tax those most able to bear it, but that we should associate the taxation of land with other taxes which would press injuriously upon other portions of the community, so as to ensure that the land tax should not be largely resorted to." The Bill, he contended, "doesn't impose a tax anything like they had a right to expect," and he added, "I consider it a mistake to exempt any land from taxation. By so doing you violate a great principle."

SIR GEO. GREY ON THE LAND TAX.

Sir George Grey, who was accused of having "stumped" the country in a disgraceful manner in support of the Land Tax, said, "I say that it is a fair and righteous tax in every respect * * * *The construction of public works has improved the value of the land and the taxation is to be paid on the value.* The lands which have been improved by public works will pay a higher tax than those which have not been improved by the same means. It has been seen that in all communities, as children are born and population increases, and as public works are carried out, the land increases in value, not in consequence of the expenditure of money on it by the proprietors, but in consequence of the expenditure of money by the Government on Public Works, and through the natural increase of population. It is perfectly just that land improved by public works, and increased in value by the competition for land arising from a dense population, *should bear a share of the taxation* * * * It has been said that our tax falls only on the land, and not on the improvements. Well, I say that that is *the very essence of the measure.* We see land speculators buying large tracts of land with the object of selling it hereafter at enormously increased prices; we see them acquiring large tracts of land which they will not improve, while all around their land are small farmers upon their small holdings. Under such circumstances it would be *cruel to tax men who have improved their small properties* for the improvements they have made, while allowing the owners of large tracts of

land to go free. It must be remembered that these *large owners* are *interfering with the success in life of their poorer neighbors*. They keep the small farmers widely separated from each other, without roads. The value of the land held by the large holder will be increased by the improvements made by the small farmer; and I ask whether it would be just, under such circumstances, to tax the poor man's improvements as well as his land. I say it would not. What we require is a tax upon land, and not upon property or improvements. The great land owners cry out 'give us a property tax, and not a land tax.' Why if we did that, we should be getting rid of every benefit that we propose to confer. If we did that, unimproved lands would not be taxed fairly, while improved lands would have to bear a large share of the burdens of taxation; and the whole benefit of the measure would be lost. I feel certain that the more the measure is considered the more just will the action of the Government appear to have been. The Bill, first of all, says that we ensure to every living being in New Zealand, who can get a small home, that he will not be required to pay any tax on that small home. We say that what is only necessary for the comfort and contentment of a family shall not be taxed. We give every man the opportunity of forming a home for himself and his family; but the moment he goes beyond that—the moment a man, in the pursuit of his own interests, grasps large blocks of land and keeps other people from having the homes necessary for the comfort and decency of a family—we say 'let taxation begin.' It appears to me that that is eminently fair."

WILL GIVE A NEW LIFE TO THE COUNTRY.

Sir George then gave a trenchant exposure of the "gridironing" swindle by which large estates had been acquired—an exposure much on the line taken by M. Sealy; and added, "I say that our Bill provides that enough land for a home for any family in the country shall be absolutely free from taxation; and then it provides that all the remaining land shall be taxed in proportion to its value. It provides also that no man shall hold a large extent of land for speculative purposes. The tax being levied year by year will force such holders to break up their land and sell it, as they ought to be required to do * * * It will put an end to abuses that have prevailed. To pass this tax is to give a new life to the country. It is to tell every inhabitant of New Zealand that every advance in the prosperity of the colony shall bring prosperity to all. When (he continued) I hear the proposition made, a proposition which I hardly believed could be made, that the tax we propose to levy should be added to the Land (sales) Fund, and that the whole should be devoted to public improvements, I say that the meaning of that was, that the country should *give back to the great proprietors that which it took from them!* This tax is on the '*unearned increment*,' as it is called, *which is the property of the whole nation* of New Zealand, and the people have a *right to it*. The people have a right to it for purposes of education; for the purpose of relieving them from their taxation; for purposes of the general welfare

of the country. It is a common boon that belongs to all alike, and which I know all alike will henceforth insist upon having * * * *If there is a class in the community which dreads the common good as an injury to themselves, that class is noxious to the community. Of that there can be no doubt * * * Undoubtedly that which is for the good of almost the entire community can only injure others on the supposition that those who are injured have interests adverse to the interests of the mass.*"

The Hon. Wm. Gisborne, speaking on the third reading of the Bill, said, "there are many persons who own large properties who don't improve the land or contribute a penny towards the taxation of the country, and yet we find that, owing to settlement and labor of others, their

LAND HAS INCREASED IN VALUE FROM £2 TO £20 AN ACRE.

Is it not right that they should pay the tax proposed?"

In the course of his Financial Statement, the Hon. John Ballance, dealing with this point, said, "The policy of opening up for settlement the land of the colony by means of railways, roads, and other works, executed out of loans contracted in the foreign market, has entailed upon the colony a heavy responsibility in the form of interest, which has reached on the total debt a sum of about a million and a quarter annually. On the other hand one of the most marked effects of that operation has been to enhance the value of all property—especially land—which derives a permanent benefit from the extension of the railway system and other means of communication. The increase in the value of land is due to the additions which the population has received by means of assisted immigration in a degree scarcely inferior to that caused by public works, and as the same causes will continue in existence, a similar increase may confidently be expected. The exemption of this accumulating wealth—land—from contributing to the general revenue of the colony has been condemned by the House as unjust to those who have been paying on the perishable necessities of life the principal portion of the taxation * * * We believe that no form of wealth is more legitimately called upon to contribute a portion of the public revenue of the colony than the value of land *minus* improvements, which, for brevity, I shall call the unimproved value, as no other commodity increases so rapidly in value from the increase of population, and the natural progress of a country. By exempting improvements we

AWARD A PREMIUM TO INDUSTRY AND DISCOURAGE SPECULATION,

which thrives only on the industry of others * * * The principle, then, we propose is to tax the actual value of the soil, *minus* improvements, embracing both town and country, with a re-valuation every third year. The natural increase of wealth, thus ascertained, from one period to another, will indicate one peculiar and remarkable kind of progress—namely, that arising from the general prosperity of the community, apart from the enhanced value which labor gives to the land itself. A man in making improvements

will know that he is not at the same time swelling the exactions of the tax-gatherer, but that the reward of his industry is altogether his own." He estimated the revenue from the land tax at "£104,166, or, in round numbers, say £100,000."

Again, at a later stage of the debate, Mr. Ballance said that "Land should be taxed because it had greatly increased in value from the making of railways and from the introduction of immigrants. Land should be taxed owing to its enhanced value arising, not from the industry expended by the owner, but from other circumstances, adventitious circumstances—the increase of population; the general progress of society; the making of railways. This is one reason why improvements which are the result of industry, the result of labor, should be exempted from the tax." And he showed that he had given some consideration to the application of the same principle to local taxation; for, referring to the local rating system, he said, "I am not going to maintain that local rates should be based upon the value of lands *minus* improvements—that is fairly open to discussion; but I would allude to a fact well-known amongst the settlers of this country, that nothing bears upon them with more hardship, that there is nothing which they feel more acutely, or to which there is greater resistance, than to the system of rating on improvements and on the results of industry. It is a common cry,

THE MORE I IMPROVE THE MORE THEY RATE ME.

I am paying for my improvements; while so-and-so, whose property is not very far removed from mine, and consists of the same quality of land, and who doesn't improve at all, or not to the same extent, is rated at so much less. It appears to me that, if it were only for the encouragement which would be given to what must be the basis of the prosperity of the colony, the agricultural interest—by that I mean the tillage of the land—it is wise to consider how far this tax will interfere with the industry of the people. Who are those who take up land in this colony and improve it? The men who have got sufficient capital, sufficient experience, and sufficient energy to bring to bear successfully on the work which they undertake. Who are those that take up land for speculation purposes, and don't improve it? Speculators and residents in towns who have accumulated a certain amount of money, and who invest it in land for an object. That object is this: that the land shall remain uncultivated and untended until the wave of industry comes up to its borders and until the actual settler improves his property. Then, when an enhanced value has been given to it by the industry of others, he perhaps sells out at a greatly increased price. We don't intend to impose upon him, what might be called 'penal' taxation, but only a tax upon the value which has been given to his land, not by his own labor or by his own industry, but by the industry of others. This is the main principle which runs through our proposal to exempt improvements * * * The primary idea is that this tax is for revenue purposes, and, secondly, in order to promote what we believe to be for the advantage of the whole community—namely,

to encourage industry." He quoted Fawcett and John Stuart Mill in support of his proposals, and cited the experience of America as to the gross unfairness and the demoralizing character of a general property tax.

THE LAND TAX CARRIED BUT REPEALED.

The Land Tax Bill became law, but not for long. The privileged classes realized at once what it meant so far as their "vested rights" in public wrongs were concerned, but the working-farmers and the workers generally did not realize what glorious prospects it held out to them. An election followed almost immediately, the monopolists made a desperate rally, and Sir George Grey was returned with a majority of four only. One can readily imagine what followed. Four of his followers deserted the great tribune of the people and he was turned out of office, and "the knight of the Gridiron" succeeded him as Premier.

On the second reading of the Land Tax Bill Major Atkinson, one of the hard-shell reactionaries, had declared that "It is the desire of almost every man in the House that a property tax should be placed on property all over the colony * * * I think we should at once impose an income and property tax." We "have pointed out, clearly enough, that the taxation they have proposed is placed upon a struggling class, a class which, above all others, we wish to encourage—the cultivators of the soil." This was their battle-cry (or battle-lie?) throughout the elections. The big land speculators and monopolists wept copious crocodile tears over the evil fate of the "poor, poor, 'cockatoos,'" whom they fooled to the very top of their bent (as in far too many cases their successors are only too successfully doing even to the present day). As so often before and since the farmers who farmed the land took to their bosoms the "farmers who farm the farmers;" the great lying press lied artistically and manfully (as it lies even unto this day); and so wrong triumphed once more. The Land Bill was repealed and the Property Tax, which repeated on a material scale the evil and injustice of the improvement rating system, denounced by Mr. Ballance, was imposed in its stead.

ERA OF THE GENERAL PROPERTY TAX—1879-1891.

Major Atkinson was Colonial Treasurer in the New Ministry, and in his Financial Statement, while saying that "there is much to be said for the policy of specially taxing unused land held for speculative purposes" he declared such taxation to be impracticable; and, dealing with the land tax, he said, "I am unable to see upon what principle of justice or expediency it is held that this is the only form of property which should be taxed.

DON'T TAX LAND ONLY! TAX ALL FORMS OF WEALTH.

Why, I wish to know, should the farm of the hard-working pioneer settler or the frontage of the struggling city merchant be taxed, while bank shares, mortgages, and such property are allowed to go free? I wish, therefore, to ask the House to impose a property tax upon the American model

excluding incomes, and thereby to affirm the principle that realized wealth, in whatever form, shall bear its fair share of the burdens of the State * * * The Government will ask Parliament to merge the land tax in the property tax which we intend to introduce, thus including land in the same category as all other property, making it equally but not specially liable to general taxation * * * What justice or wisdom (he demanded) is there in specially taxing that class whose growth is essential to the advancement of the colony, in order to prevent a probable (problematical) abuse in the acquisition of large quantities of land, or unfair profits, by a few individuals? * * * I entirely disapprove (he declared, in the hypocritical vein still popular with his successors) of land being held for speculative purposes. I entirely disapprove of land being held in large blocks, to the injury of settlement. I desire to see the country in the possession of a population cultivating their own freeholds * * * That there are some large estates which I should be glad to see occupied by small freeholders is true; but * * * I have satisfied myself that the tendency is towards disintegration rather than accumulation of large properties, and that speculation in land to an injurious extent does not exist in such a form as to be removable by legislation, and, most certainly, will not be remedied by a land tax on all land."

SIR GEO. GREY: A LAND TAX OUR ONLY SAFETY.

Sir George Grey strongly denounced the Government's proposals. "Let us consider," he said, "what is proposed to be done by this Financial Statement. Let us look at it fairly. Can there be any doubt that under the present system the class which the Government represents have already got possession of the very best portions of the land in the country? * * * And I know it is a fact that at this moment large agencies are at work by whose operations large blocks of native land will be swept away from competition, and will pass into the hands of a few speculators * * * Such being the case, our only safety is * * * to take care that there is a tax upon land; and that that taxation shall be increased in the proportion as property increases, so that a necessity is laid upon the large landholders to give up their estates, or, if they refuse to do that, they shall be compelled to bear a fair share of the taxation. But it is unjust that, under any circumstances, men should be allowed to *shut up a large portion of the earth's surface from their fellow-men, and to provide beforehand that New Zealand shall become a State in which there shall be two classes of large landholders with many privileges, and another class, by far the larger, which for generations and generations to elapse shall serve these men, and have no hope of getting homes of their own.* That is the system for which these gentlemen have been repeatedly contending, and it is in furtherance of that system that they now come down and ask to have the tax taken off the land * * * Now what they are going to do is to do away with the land tax, and put on what they are pleased to call a property tax, the meaning of which is that every man will have to pay for his improvements as well as for the value of his land, while the speculator will have to

pay nothing. The speculator is to be allowed to hold vast tracts of land for the purposes of speculation, without paying a single penny of taxation because he doesn't improve it. Still it increases in value from the improvements which his neighbors all around him make; but he himself is to be taxed in no way whatever for the land which he holds purely for speculative purposes. For many years he may shut out all improvements from it, and use it simply for sheep, or not at all; while the poor man of small property is year by year bound to pay more and more, because he will have improved his land to the highest degree and increased its value. Such a system as that must destroy all hope for the future in this colony. All hope must be gone from the people of this colony if such a system is adopted * * * It is a gross misrepresentation to say that the land tax is to be merged in the property tax.

GREAT LANDLORDS HARDLY TO BE TAXED AT ALL!

It simply means that the great landholders, who have put that Government into office, are to escape altogether that taxation to which they are justly and properly subject at the present time, and that all hope of preventing people from acquiring large properties in future is to be taken away from the inhabitants of New Zealand * * * It is to say this: that *the future burdens of the country are to fall, as hitherto, upon those classes who labor to make the country what it is.* Every family is henceforth to be taxed (Customs duties were increased) as largely as it was in the past. Upon them the whole burden of taxation is to fall, whilst those gentlemen whose properties have had enormous value given to them by railways and public works are hardly taxed at all. What is a penny in the pound to a man who has had £20 or £30 an acre added to the value of his property, and who, if he chose, could sell it immediately at that price to any person? It amounts to absolutely nothing at all. But to the poor and struggling farmer, who probably has had to borrow money to enable him to improve his land, and who is now to be taxed for those improvements, it means a great deal—it is a very great burden indeed. I do hope that the House will resist this. I do hope the country will resist it * * * It will be an intolerable burden to New Zealand that every man should have a tax-gatherer going into his house to value the whole of the property he possesses; that every farmer should be taxed for all the improvements that he has made, so that he will dread to make improvements, knowing the further burdens they will bring upon him. If this system is followed out it will be the greatest blow ever given to the prosperity of New Zealand."

Mr. F. J. Moss, a staunch supporter of the land tax, said, "I took the opportunity the session before last, to quote figures to show that property had been immensely benefited by the public expenditure, that the great proportion of these enormous loans, and pretty well the whole of the land revenue had gone in increasing the value of property. It has been

SO MUCH MONEY PUT DIRECTLY INTO THE POCKETS OF PROPERTY OWNERS.

What permanent benefit have the mass of the people derived from the expenditure of these loans, that now, when settling-day comes, the burden should be thrown upon them? We, the representatives of the people, should take care that such a course is not permitted."

The speech referred to by Mr. Moss was given on the second reading of the Land Tax Bill, Sept. 11th, 1878. He estimated that "out of the total sum (revenue) of £1,946,223, only £130,000 is contributed directly on property of all kinds; the rest is a tax upon labor—that is to say, on articles of general use and consumption * * * In England, of all countries, property is most lightly taxed for Imperial purposes," but "property does not nearly contribute the same proportion in New Zealand * * * But in England the State has not made railroads. It has not undertaken *great public works, which so materially enhance the value of property*, as we have in New Zealand. Let us see what the State has done for property, and then we shall see whether there is any necessity for a change in the incidence of taxation. Out of an expenditure of £2,246,750, I find that the large sum of £1,077,653 is paid as interest and sinking fund on account of loans. Then there is the expenditure in connection with the Civil List and pensions. There are the public departments—law and justice, postal and telegraph, Customs, education, militia and volunteers, constabulary and native. These make up the balance of the £2,246,750 expended during the year ending 30th of June, 1878. How much of this is expended for the direct benefit of property? That is the question. Of the loan expenditure, nearly £1,650,000 has been spent upon immigration, £120,000, on the department of Public Works, £6,900,000 in railways, £928,870 for roads and £887,000 for various other purposes; making, altogether, a sum of at least ten millions and a half. The interest and sinking fund upon that, at 6 per cent. amounts to £650,000, and that sum represents an annual charge for money which has been spent upon the public works which have so largely enhanced the value of property in this country * * * Now that is not all. I see that last year there were subsidies to local bodies, £159,000. They, too, are given to land or property and houses. Then, again, we find there were gold fields revenue and gold duty, and various license fees, amounting to £116,000, making £925,000 spent upon property out of the revenue of the colony. From that I should like to deduct £165,000 which is the excess of receipts over expenditures on railways. (Why?) This would leave £760,000; in addition to which we have £510,000 paid out of the land (sales) revenue, making the annual contribution no less than £1,270,000. Now, if property contributes so little, and is given out of the colonial revenue £1,270,000 a year surely you may fairly say it is time there was some change in the incidence of taxation * * * I shall be told that all these public works have been a great benefit to that portion of the public which does not own property and houses; and I admit that it is, but it is not a greater benefit to them than it is to those who own property.

THE OWNERS OF PROPERTY GET A DOUBLE BENEFIT

—first, as members of the State, and still more largely as property owners * * * We were told on high authority in Christchurch a day or two ago that we were then celebrating the close of the first act of the great Public Works policy introduced by Sir Julius Vogel. I think that what we are now celebrating (in the passing of the Land Tax) is the second act. We have the works; the original plan on which they were devised of making the districts through which they passed pay for them has been absolutely thrown aside. We have now opened the second act, which will end by settling who ought to pay the cost."

Unhappily this work was undone in the third act—by the substitution of the property tax for the land tax. It was not till twelve years later that the curtain rang up on the fourth act, when the property tax was itself repealed and a tax of 1d. in the £ on land values substituted by the very man who had introduced the tax of ½d. in the £ in 1878, the year before the publication of "Progress and Poverty." It is because the discussions referred to above took place before the publication of Henry George's great work, and yet so closely follow the lines of the "Prophet of San Francisco," that I have quoted at such length from the speeches by Sir George Grey, the Hon. John Ballance, Mr. F. J. Moss, and others.

The repeal of the land tax and the imposition of the property tax in its stead brought about its natural results, hard times, and as Mr. Sealy says in the pamphlet already quoted, "You have the * * * Conservative papers laying the blame of the hard times on the ignorance or want of enterprise of the farmers, on the improvidence of the working men, on the alleged extravagance of the late Ministry of Sir George Grey; in short, on anything except what I believe to be the true cause, or at least one of the principal causes, viz., *the monopoly of nearly all of the best land of the colony in the hands of comparatively few holders.*"

LAND TAX AND PROPERTY TAX CONTRASTED.

"*The land tax,*" says Mr. Sealy, "told heavily on * * * the holders of the large estates, and comparatively lightly on the mass of small owners of property, whether in town or country, and they (the Hall Government) have substituted in lieu thereof the property tax, which *falls comparatively lightly on the large holders of land, and heavily on the owners of buildings or of improved farms.* Under the property tax every owner of a house or shop in town has to pay a penny in the pound on its capital value, though it may be unlet owing to the general depression and bad times, and the unfortunate tradesman has actually to pay a tax on goods which are lying useless, because he is unable to sell them owing to the depressed state of trade. On the other hand, the great estates owned by the Levels Company and other absentee owners, pay on only one-eighth part of their capital, though they bring in a very large income from wool and other sources." "The great argument

used against the land tax," he adds, "was that it checked the flow of capital into the country for investment. I would remark that it was only deterrent in the case of capitalists seeking to buy large estates—a class we are most undoubtedly better without; whereas the property tax deters the man of small capital, seeking a place to settle on with a view to farming, or a town property in which to start a new industry; and this is the very class we are admittedly most urgently in need of at this time."

CONDITIONS AT THE CLOSE OF THE PROPERTY TAX ERA —THE YEAR OF NEW ZEALAND'S JUBILEE.

In his address, already quoted, on "The Industrial Depression in New Zealand; Its Cause and Its Only Cure," January, 1890, Mr. H. W. Farnall pointed out that that was "the year of New Zealand's jubilee!" But, he asked, "concerning what, in all that has taken place in New Zealand in the last fifty years, are we called upon especially to rejoice? Are we to rejoice that one absentee New Zealand land owner draws an income from this country of £85,000 a year, and lives in ease and affluence in England? Are we to rejoice that there are 1,140 of these absentees, all living in ease and luxury in England and elsewhere, all drawing large sums from this colony, and positively drawing its life-blood, whilst they contribute nothing hardly to the national revenue? Are we to rejoice because we allow ourselves to be robbed of our small and hardly-won earnings, and be brought to poverty and destitution in order that the wealthiest class in this colony may escape their share of taxation? Are we to rejoice over that huge debt, on which, though spent wholly in the interests of one class, the land owners, the other, the down trodden, the governed class, is called upon to pay all the interest?"

Of these holders 34 are permanent absentees. They own between them 721,897 acres of an unimproved value of £1,041,984. Thirteen companies own 1,070,900 acres of land of an unimproved value of £2,000,000 sterling, and one bank, the Bank of New Zealand, owns a quarter of a million acres, of an unimproved value of considerably over half a million pounds sterling. Forty-eight of these holders have their properties still in a state of nature; they have spent no money upon them whatever. They hold amongst them 1,400,668 acres of an unimproved value of nearly a million pounds sterling.

"To go a little further into detail we find that there are twenty-four holders of land, the unimproved value of the holdings of each of whom is from £100,000 to £1,000,000 sterling. There are three holders, the unimproved value of whose land is between £90,000 and £100,000; there are six between £80,000 and £90,000; there are eleven between £70,000 and £80,000; there are twelve between £60,000 and £70,000; and twenty-one between £50,000 and £60,000; or a total of seventy-six persons who own between them land of the unimproved value of £8,498,541. "Now the value of the

improvements made upon these valuable properties is in many cases of a very trifling character. We have seen that forty-eight are still absolutely in a state of nature, although their actual value is over a million pounds sterling. But on looking through the return we find that one owner acknowledges having spent £5 upon an estate of 7,000 acres, and another has spent £450 on an estate of 68,000 acres. This latter is an absentee, and draws £650 a year rent from a tenant. Another draws £1,000 a year from a property on which he has only spent £50. But, as I said before, the above only represents the large freeholds of over 5,000 acres. If to these we add the leaseholds, we at once become acquainted with a fact that every one must acknowledge throws a liquid light upon the cause of the poverty, want of employment, and low wages in this country, and practically explains the whole position. The total freehold and leasehold properties of over 5,000 acres, held in New Zealand at the present moment, are as follows:—

HOW THE LAND WAS MONOPOLIZED

	Freehold.	Leasehold.	
Auckland	1,664,415	119,743	1,784,158
Hawkes' Bay	1,429,779	130,339	1,560,108
Wellington	1,014,260	26,249	1,040,509
Nelson	89,702	811,170	900,870
Marlborough	522,011	1,627,323	2,149,334
Canterbury	1,253,063	2,869,000	4,122,063
Otago	1,243,070	5,187,386	6,430,456
			<hr/>
			17,987,507

"The total number of holders of these freeholds and leaseholds, comprised in the aggregate nearly eighteen million acres, is 1615.

"It is only by encouraging a large and settled agricultural population in this country that it can ever make satisfactory progress, and this at the present time is practically an impossibility, as *all the best, all the most available, and most accessible land is monopolized by these 1,615 large land owners.*

"The statement frequently made by some New Zealand newspapers and some public men that there is no country in the world where land is so equally distributed as in New Zealand is most atrociously false. The agricultural returns show us that the largest number of settlers living and supporting themselves on their own land are actually existing upon from one to ten acres each, and they number in all 9,172 families; then come a smaller number, 7,507, who are existing on plots of from ten to fifty acres, or a total in all of 16,679 families, and these represent the bulk of the settled agricultural population of this colony. And how much land is occupied by this goodly number of families, 16,679? Taking them at the lowest estimation they must number, all told, upwards of 80,000 *souls*, and what is the area of land occupied by them, think you? It is *something under 300,000 acres!* just

enough, in fact, to make one good sized sheep run. But what a contrast, and if it be true that the land is the source of all wealth, what a catastrophe to find in this young country that sixteen hundred people monopolize between them nearly 18,000,000 acres of land, whilst seventeen thousand families are vegetating upon 300,000 acres.

AND HOW THE TAX BURDEN WAS DISTRIBUTED.

"Take," he added, "another view of the case, that is, the question of taxation. The amount contributed by the 1,600 large land owners towards the national revenue would be barely one-tenth of what the others would be called upon to pay, although those who paid the least would be occupying and monopolizing 18,000,000 acres of the only source of wealth—the land; whereas the larger number would be occupying only 300,000 acres. This is one great cause of the inequality of wealth, low wages, and scarcity and uncertainty of employment in this country."

Mr. Farnall very strongly condemns Customs taxes as a means of raising revenue. "It has been computed that, although the Custom's revenue may be a million and a half, yet the people pay, in consequence of the extra charges, nearly half a million more. Customs duties do not fall upon all alike, as it stands to reason a man with a wife and family, and who is earning £2 to £2-10-0 a week, cannot afford to pay them so well as a man with £85,000 a year. In the case of a man earning wages or having an income of £100 in the year, the duties at present raised would mean a deduction of 20 per cent. per annum from his yearly income, thereby reducing his earnings to £80. If the £85,000 a year man was treated in just proportion he would pay £17,000.

A MEAN AND CUNNING DEVICE TO MAKE THE POOR PAY THE TAXES OF THE RICH.

Customs duties (he declares) are nothing more nor less than a mean and cunning device for abstracting from the little hoards of the poor huge aggregate sums that ought to be drawn from the treasuries of the rich. The great bulk of our taxation is drawn through the Customs, and the wealthiest men in the colony *need pay* no more than the poorest. Our absentees, of course, pay no Customs duties, and as according to an official return laid before Parliament there are 1,140 of them, all drawing large incomes from the colony, the making the Customs duties our principal source of national revenue is shown to be outrageously wrong, and robbery of those who do pay it.

"Sir Harry Atkinson was asked in the House if it was not possible to frame a tax that would reach the absentees, and he said he could not see his way to do it. Some people innocently imagined that the property tax catches them, but it doesn't. The property tax after all only returns £380,000 a year * * * where do they appear on the property tax returns published by the Government? * * * The number of property tax payers in 1886-87 was 27,286, and out of that large number only 548 pay over £67. In what part of this return are we to look for the 1,140 absentees, who, contributing nothing

to our national revenue through the Customs, our chief source of revenue should certainly be contributing at least that much to the property tax? In what part of the return are we to look for the 1,615 landholders who monopolize the source from which all wealth is derived to the tune of 18,000,000 acres, the unimproved value of 7,000,000 acres of which is over £15,000,000 sterling? The property tax return knows them not. If it does account for them, it is evident they are not paying to this tax in proportion to the value of their property and the wealth obtained by them from it." It will be seen that this tax is not a property tax in the true sense of the term, and that it is

A FRAUD AND A DELUSION.

In 1899 Senator James W. Bucklin, of Colorado, U. S. A., as chairman of a Commission appointed by the State Senate, visited the Southern Hemisphere to "investigate the tax laws of New Zealand and the Australian colonies, and the effect of such laws," reporting to the Senate in due course. In his Report, ordered to be printed, February 28th, 1901, and reprinted with corrections, January 27th, 1902, Senator Bucklin notes that the New Zealand land-value tax "is the only Australasian land-value tax ever repealed in any of the colonies, and New Zealand has since repented and corrected this mistake." At the time of Bucklin's visit land-value taxes were in operation for national purposes in New Zealand, New South Wales and South Australia; with a compulsory land-value rating system for all local purposes in Queensland, and optional rating systems in New Zealand and South Australia. Since then national land-value taxes have been adopted by Western Australia, Victoria and Tasmania, and the local rating of land values is now practically universal in New South Wales, the State land-value tax being merged in the local rate, while a Federal land-value tax has also been adopted by the Australian Commonwealth, under its Labor Premier, Mr. Andrew Fisher.

THE LAND TAX RESTORED—SENATOR BUCKLIN'S REPORT.

Senator Bucklin summarizes the position so well that I cannot do better than quote his report. "The general property tax," he says, "remained in operation in New Zealand for twelve years during which time a deficiency in the revenue appeared of \$9,910,000. *The general property tax* of New Zealand, like that of the several American States, was not only a fiscal failure but also an instrument of injustice and oppression. So unpopular did it become that the people, in memory of the previous short experience of the land tax, in 1890 turned out those who were responsible for the property tax and elected a parliament pledged to re-enact the land tax, the change in the incidence of taxation being the chief issue in the campaign * * * After having thoroughly tested the general property tax, and compared it with the Australasian land-value tax the former system was deliberately abolished and the Australasian system finally established; thus, after a thorough trial, rendering a complete judgment on the relative merits of the two methods

of taxation * * * The adoption of the present land-value tax in New Zealand grew out of the disgust with the general property tax, and the fact that the great labor strike of 1890, involving thousands of laboring men, was beaten and crushed out. Hon. John Ballance who had introduced and most ably advocated the Land Tax Bill of 1878, had, notwithstanding its repeal, never ceased to urge the principle upon the people. The working classes now, defeated in their strike, turned to Mr. Ballance, elected a parliament to support him, and have ever since maintained their control.

"Prior to the land tax of 1891, there had been an enormously extravagant government in control of affairs, who had plunged the country largely in debt, and, in many ways, ran it in the interest of the privileged classes. Land speculation was rife and the country was apparently on the verge of a great panic. In 1891 *thousands* of unemployed gathered in all cities of New Zealand asking for work, and the people were actually fleeing from the country in search of the right to labor.

"As the chief measure of relief the Ballance government had demanded during the campaign, and now passed, the Australasian land-value tax law. At once, without the 'Industrial Conciliation and Arbitration Act,' or any new labor laws, the condition of labor began greatly to improve. Wages increased, the hours of toil shortened, the cost of living decreased, and the idle received employment. From 1891 to 1898 the cultivated lands of New Zealand increased 3,522,091 acres (sown grass lands increased 3,278,501 acres), the value of improvements increased \$39,000,000, and nearly all business greatly improved. Wages in New Zealand are not high, but the cost of living is cheap, and the people generally seem to be most prosperous and happy. For nearly a day I walked through the streets of Auckland, a city of more than 60,000 people, in search of an idle workingman, and was unable to find one. In the four years immediately preceding the land tax, in spite of government ownership and management of railroads, telegraphs, telephones, insurance, etc., there was actual decrease of immigration over emigration of 17,789 persons, being a loss each year. At once on the passage of the land-value tax the tide of emigration turned, population has increased 122,447, and the first two years after adoption of the land tax the immigration of New Zealand exceeded the emigration 15,370 persons, and has continued in excess each of the eight years since its passage."

LAND TAX AND COMPULSORY ARBITRATION COMPARED.

It used to be claimed at one time that the great improvement in the conditions of labor since 1891 was due to the "Industrial Conciliation and Arbitration Act." But, says Mr. Bucklin, "Since the passage of the compulsory arbitration law in 1894, and its coming into operation a year or so later, there has been no such great improvement in the condition of wages or labor as took place on the passage of the land tax in 1891. The excess of immigration into New Zealand for the three years following the adoption of the Australasian system, and prior to the adoption of the compulsory arbi-

tration law, was 3,777 persons, more than twice the number for the three years immediately following the arbitration law. It is sometimes contended that the arbitration law has not even tended to improve the conditions of labor, but has retarded such improvement. It has not had a very long life and has not been fully tested as yet, but so far it has done but little if any direct harm. Under any view its benefits to labor or the public are far less than those of the land-value tax. H. D. Lloyd, in his book eulogising the New Zealand compulsory arbitration law, entitled 'A Country Without Strikes,' says:—'But it is not really correct to say that this is a case of wages 'fixed by law.' The law has not fixed the prices. The price is fixed by the facts of the economic situation, and it (the compulsory arbitration law) does not attempt to create or modify economic conditions.

"The Australasian land-value tax, however, like all other tax laws does modify economic conditions, while the compulsory arbitration law only aims at a peaceable adjustment of industrial disputes under existing economic conditions. After consultation with numerous classes of persons in New Zealand, including both laborers and employers, I am convinced that, taken as a whole, wages are not any higher, nor the hours of toil any shorter, nor the chance of employment any better because of the compulsory arbitration law. It may perhaps have had some effect in allaying the friction of industrial disputes, but even this is not yet fully proven. If it were true that a compulsory arbitration board could arbitrarily raise and maintain wages, why does not the board fix wages at a minimum of a sovereign or \$5 per day? There can be no doubt that workmen produce and are consequently entitled to receive at least that amount of daily wages * * * All that arbitration can do, if ideally perfect, is to palliate, not cure public evils. If economic conditions are forcing wages down and throwing men out of work, no compulsory arbitration board can prevent such results; while if economic conditions are forcing wages up, arbitration boards will not be able to prevent such increase."

The truth of this was shown during the depression caused by the backwash of the great American panic of 1907; and, as a matter of fact, the New Zealand workers have now largely lost faith in the efficiency of the Conciliation and Arbitration Act and other labor legislation, and are beginning to realize once more that if they would improve labor conditions they must improve economic conditions, and that the true way to do this is to untax industry and to tax land-values instead on the lines first laid down by Sir George Grey and the Hon. John Ballance and since popularized by Henry George and his many devoted followers.

THE FAILURE OF THE INDUSTRIAL CONCILIATION AND ARBITRATION ACT, and the root cause of that failure are brought out very clearly in the following memorandum addressed by M. Edward Tregear (Secretary for Labor) to the Rt. Hon. R. J. Seddon (Premier and Minister for Labor). The failure of the Act is all the more striking in that Mr. Tregear, who may be regarded

almost as the father of the measure, undoubtedly puts forward the best case he can for it:—

Department of Labor,
Wellington, 31st May, 1904.

It may fairly be said without boasting that the Industrial Conciliation and Arbitration Act of New Zealand has drawn the attention of the civilized world to the progressive legislation of this colony. The very large number of inquiries made of the Labor Department by people in Europe and America, combined with the extensive literature relating to the subject of our laws recently published abroad (particularly in the United States), are proofs of how widely the subject engages the attention of persons occupied in the study or administration of socio-political matters. It therefore would be little short of a world-wide calamity should anything cause false inferences to be drawn from the effects or results of institutions working under any but fair and impartial conditions. The New Zealand Arbitration Act is not working under such conditions, nor is its beneficial power available to the full in the cause of public utility. The work of the Court is being neutralised by malignant collateral action. It is in the position of a single regiment or division of an army sent far into the enemy's country without reserves or supports. Or, to use a still closer metaphor, it is like a fair edifice the foundations of which are being destroyed by cunning miners working from every side.

The general effect of the Act has been to benefit the whole community by insuring to the employer stability of business and output, to the worker higher wages and shorter hours, to the general public that continuity of trade and business which was formerly too often dislocated by the mischievous waste of strike and lockout. These results have been of high advantage to the whole colony, as the great prosperity shown by every indication of the economic barometer denotes. Such effects are, however, rapidly becoming neutralized, and soon only the empty shell of an apparent prosperity will be left us if the unbridled covetousness of a few be not regulated and checked. Some of the necessities of life cost more than in former years; their price is rapidly advancing, and this out of all proportion to the rise in wages of producers. Of course the rise in wages given by the Arbitration Court to certain classes of workers is asserted by some to be the reason for the increased cost of articles and services, but this argument runs in a vicious circle, for it is the increased cost of necessities which has caused the concession of higher wages. There has been no fair ratio between the rise in wages and the rise in prices. The fact is that there is a third hand in the game besides the employer and employee, and it is this third man, the non-producing ground-landlord of city and suburban property, who alone will rise a winner in the end.

The chief devourer of the wages of the worker and of the profits of the employer is excessive rent. That an equitable payment for the use of land and dwellings should be made to their owners is, under the present constitution of society, proper and desirable; but a greedy rent-racking system, which transfers gradually almost the whole earnings of the industrial and commercial classes to the pockets of the non-producer, is indefensible. It partakes of three characters; it is unauthorized taxation by private persons, it is tribute to a conqueror, and ransom of a captive. In Wellington the rents have not only increased during the last ten years, but they have acquired an utter disproportion to earnings. It is difficult for a clerk or foreman at £250 a year to get a decent house near the city under £1 10s. a week, which means about one-third of his income. A laborer earning (taking wet days, illness, etc.) on an average £1 10s. a week, must pay at least 10s. to 12s. a week for a house; he too, then, finds that a roof over his head costs one-third of his income. This may be accepted as a general rule in the capital city—viz., one-third of the income goes to the landlord. The shopkeeper who by his industry and capability improves his business enhances the value of his holding, and discovers as soon as his short lease expires that if he wishes renewal, he must sacrifice

the profits of his business. In a certain southern city there is a striking instance of this process. A small piece of land, now in the centre of the town, was bought many years ago (almost by chance) for a person living in England, who paid £50 for it. That person has drawn £800 a year from it for twenty years, and now receives £2,000 a year therefrom. The tribute levied on the struggling colonists of New Zealand by this absentee would, if capitalized, "stagger humanity." IT REPRESENTS NO HONEST PROFIT ON INVESTMENT.

Other items of necessities, such as meat, bacon, eggs, coal, fire-wood, etc., have also risen in price, considerably, and have helped to minimize any advance in workers' wages. These, however, are more defensible in their deductions than unfair rentals, because some part of the profits made in such case go to producers. Unfortunately for the operative or laborer, he is seldom the owner of the means of production, and the point he is made to realize is that mutton is far more costly than it was years ago, while the increased cheques for frozen meat, freights, commissions, etc., do not come his way. Nevertheless, a certain number of his class are employed in the production or distribution of meat, and therefore advances in its price do not stand on the same footing as those of ground-rents. Even the farmers indirectly suffer by such mulcting of wages, for less farm-produce is consumed when the spending-power of the masses is checked and directed aside into private banking accounts of the owners of city and suburban lands.

With the above considerations in mind, I very earnestly ask the Government to take into consideration the question of legislating for the acquirement of suburban land and the housing of the citizens. Whether such consideration should take the direction of State or municipal control of compulsorily acquired properties I do not presume to suggest. Some scheme, however, should be earnestly pondered over having for its determination the breaking-up of the land ring. Just as Russia acquired by an Imperial ukase possession of petroleum wells at Baku, and so controlled the market in order to prevent the cupidity of individuals destroying the transport service, etc., of the Empire (carried on by oil-burning steamers), so in New Zealand there is reason for the State to interfere to prevent the exploitation of its citizens and the draining of the earnings of the community into the possession of a few private persons.

It is beyond doubt that the advantages bestowed by progressive legislation are gradually being nullified, and will eventually be destroyed by certain adverse influences. Those influences must be sought out and neutralized fearlessly and effectively in the interests of all classes of workers—i.e., of the vast majority of the citizens of the colony.

EDW. TREGGAR,

Secretary of Labor.

In October of the same year Mr. Coghlan, Government Statistician of New South Wales, affirmed that "wages have risen $8\frac{1}{2}$ per cent. in New Zealand during the last fifteen years," while "in the large centres during that time meat has advanced 100 per cent., house rent 30 per cent. to 50 per cent., and other items from 10 per cent. to 50 per cent." And, addressing the Australian Labor League at Sydney, in 1906, shortly before his death, the Rt. Hon. R. J. Seddon declared that, "Up to the present the labor laws of New Zealand have benefited one class only, and that the landlord class."

THE BANK PANIC OF 1893.

One of the most striking evidences of the great benefits resulting from the land-value tax of 1891, is the fact that New Zealand passed practically unscathed through the great bank panic of 1893.

"In comparing the colonies with one another," says Mr. Bucklin, "it

must be remembered that they are all colonies of the same mother country; that they are inhabited by the same class of people; their markets are the same; they derive their laws and institutions from the same source; the people freely emigrate from one colony to another; one-half of the banks and many business houses are located in more than one colony; their financial systems are the same; the internal affairs of the several colonies, such as the government ownership of railroads, telegraphs and telephones, are of a similar character; and the prosperity or adversity of each colony naturally fluctuates with that of the others.

"Yet the bank panic of 1893, which extended all over the civilized world, *did not close a single bank doing business in New Zealand*; nor did it close any in South Australia (which had adopted a land value tax of $\frac{1}{2}$ d. in the £ in 1884), except the branches of those banks having headquarters in other colonies. In other words, the bank panic of 1893, with its storm center in Melbourne, and Victoria, where there had been an enormous speculation in land, a panic which raged in New South Wales, and in all other colonies unprotected by the Australasian tax system, did not make itself seriously felt in either of the then land tax colonies. What the full cause of this was I shall not attempt to say. New Zealand, a year later, came to the aid of one of its banks by guaranteeing its paper. But Victoria did not dare to venture in that line, and it is certain that it could not have saved its banks had it done so.

"One of the chief causes of the panic was that both the banks and their patrons had speculated largely in land, and coincident with the panic a terrible shrinkage in values occurred that made thousands of bank debtors insolvent and their paper worthless. In New Zealand the land tax which was passed nearly two years before the land speculation culminated, checked the land boom and correspondingly checked the credit based on land speculation in that colony. The speculation, however, had proceeded so far that although the banks and their patrons had nearly two years time in which to retrieve themselves, they were seriously threatened, not entirely and perhaps not mainly, by their New Zealand business, but largely because they had branches doing business in other colonies. *In South Australia, where there had been no land boom, there were no failures of banks caused by the South Australian business.* Thirteen out of the twenty-five banks of issue in Australasia, with their hundreds of branches, closed, with liabilities of \$516,576,000.

"It may be asked how such a small tax could produce such prodigious results. The answer is that in so far as the land tax contributed to these results, it was not entirely the existing tax that prevented land speculation and collapse following thereupon, but, more largely still, a wholesome fear of its increase. Certain it is that no land boom or serious financial panic ever yet occurred where the Australasian land value tax has been established for general purposes."

"South Australia (he adds) adopted the Australasian tax in 1884, just at the culmination of a boom when land values were highest; New Zealand's

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.

FIRST TURN OF THE SCREW—1893.

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	$\frac{1}{8}$	70,000	90,000	$1\frac{1}{8}$
10,000	15,000	$\frac{1}{4}$	90,000	110,000	$1\frac{1}{8}$
15,000	20,000	$\frac{3}{8}$	110,000	130,000	$1\frac{3}{8}$
20,000	25,000	$\frac{1}{2}$	130,000	150,000	$1\frac{1}{2}$
25,000	30,000	$\frac{5}{8}$	150,000	170,000	$1\frac{5}{8}$
30,000	40,000	$\frac{3}{4}$	170,000	190,000	$1\frac{3}{4}$
40,000	50,000	$\frac{7}{8}$	190,000	210,000	$1\frac{7}{8}$
50,000	70,000	1	210,000 or over		2

All improvements exempted.

TEN YEARS LATER—1903.

5,000	7,000	1-16	100,000	105,000	$1\frac{5}{8}$
7,000	9,000	$\frac{1}{8}$	105,000	110,000	1 & $11-16$
9,000	11,000	3-16	110,000	115,000	$1\frac{3}{4}$
11,000	13,000	$\frac{1}{4}$	115,000	120,000	1 & $13-16$
13,000	15,000	5-16	120,000	125,000	$1\frac{7}{8}$
15,000	17,500	$\frac{3}{8}$	125,000	130,000	1 & $15-16$
17,500	20,000	7-16	130,000	135,000	2
20,000	22,500	$\frac{1}{2}$	135,000	140,000	2 & $1-16$
22,500	25,000	9-16	140,000	145,000	$2\frac{1}{8}$
25,000	27,500	$\frac{5}{8}$	145,000	150,000	2 & $3-16$
27,500	30,000	11-16	150,000	155,000	$2\frac{1}{4}$
30,000	35,000	$\frac{3}{4}$	155,000	160,000	2 & $5-16$
35,000	40,000	13-16	160,000	165,000	$2\frac{3}{8}$
40,000	50,000	15-16	165,000	170,000	2 & $7-16$
50,000	55,000	1	170,000	175,000	$2\frac{1}{2}$
55,000	60,000	1 & $1-16$	175,000	180,000	2 & $9-16$
60,000	65,000	$1\frac{1}{8}$	180,000	185,000	$2\frac{5}{8}$
65,000	70,000	1 & $3-16$	185,000	190,000	2 & $11-16$
70,000	75,000	$1\frac{1}{4}$	190,000	195,000	$2\frac{3}{4}$
75,000	80,000	1 & $5-16$	195,000	200,000	2 & $13-16$
80,000	85,000	$1\frac{3}{8}$	200,000	205,000	$2\frac{7}{8}$
85,000	90,000	1 & $7-16$	205,000	210,000	2 & $15-16$
90,000	95,000	$1\frac{1}{2}$	210,000 or over		3
95,000	100,000	1 & $9-16$			

SCHEDULE FIXED IN 1907.

In 1907 Mr. McNab, then Minister of Lands, introduced a Bill to give owners of estates of £50,000 or over unimproved value a stated time in which to bring their holdings down to that value. The Opposition protested, and

Mr. Massey asked what was wrong with the graduated tax? So the Government said: "Very well, if you prefer your medicine in that form." The schedule was then amended to the following effect:—

Up to £40,000 value—same as since 1903.

Value of £40,000—8s. per cent.

Every additional £1,000 of land value—one-fifth of a shilling.

Value of £200,000 and over—£2 per cent.

From financial year 1909–10—25 per cent. additional on estates of £40,000 value or over not used for business purposes.

ABSENTEES DEALT WITH

The foregoing taxes are increased by 50 per cent. in respect of absentee owners—that is, owners who have not been personally present in New Zealand for at least one-half of the period of four years immediately preceding the year in, and for which, they are assessed for tax.

LAND TAX INCREASED—BIG ESTATES DECREASED.

The following table shows how the graduated land tax on large estates has been increased:

Value	1892–3	1909–10	Value	1892–3	1909–10
£	£	£	£	£	£
50,000.....	364	520	125,000.....	1106	2473
60,000.....	437	700	150,000.....	1484	3437
70,000.....	546	904	175,000.....	1822	4557
80,000.....	625	1133	200,000.....	2187	5833
90,000.....	750	1387	210,000.....	2406	6125
100,000.....	833	1666			

AND THE FACTS AND FIGURES GIVEN BELOW SHOW HOW THE LAND TAX HAS REDUCED THE NUMBER OF BIG ESTATES.

The first detailed statement of how the progressive land tax is working towards the breaking up of huge estates is contained in a paper tabled in the House of Representatives on September 28th, on the motion of Mr. H. G. Ell, M. P. It deals with the state of affairs in 1892, the year when the progressive land tax was introduced, 1906, two years prior to the imposition of the new progressive land tax of 25 per cent., and 1910. The following table shows the reduction in the number of larger estates:

Acres.	1892.	1906.	1910.
10,000 to 20,000.....	148	129	121
20,000 to 30,000.....	45	40	28
30,000 to 40,000.....	30	14	5
40,000 to 50,000.....	9	8	6
50,000 to 75,000.....	14	8	9

75,000 to 100,000.....	6	4	2
100,000 to 150,000.....	4	..	..
150,000 and over.....	6	1	..

Figures are supplied for the number of smaller holdings, and they show a most remarkable increase as the result of the splitting-up operations. The following table shows the diminution in the areas of the larger estates owing to the land tax:

Acres.	1892.	1906.	1910.
10,000 to 20,000.....	2,085,830	1,817,562	1,661,381
20,000 to 30,000.....	1,110,358	1,002,816	683,368
30,000 to 40,000.....	1,041,755	474,822	175,001
40,000 to 50,000.....	392,432	353,100	262,565
50,000 to 75,000.....	890,898	490,507	560,250
75,000 to 100,000.....	520,905	342,493	166,906
100,000 to 150,000.....	476,988	.....	.....
150,000 and over.....	1,321,036	223,242	.....

WHAT IS PAID—IS ANYBODY HURT?

From the rather formidable-looking schedules it may be thought that the rural community is seriously harassed by these taxes. But what are the facts? Upon the holders of land in moderate areas—the class it is most desirable to encourage—the tax falls very lightly. A return laid before Parliament last year shows that *the number of payers of land tax was only 25,798*, and that the bulk of them contributed quite moderate amounts. Here we have the number who pay:

£ s. d.	£ s. d.	
Under	0 2 6	541
0 2 6 and under	0 5 0	911
0 5 0 "	0 10 0	1,747
0 10 0 "	0 15 0	1,425
0 15 0 "	1 0 0	1,251
1 0 0 "	2 0 0	4,328
2 0 0 "	3 0 0	2,614
3 0 0 "	4 0 0	1,920
4 0 0 "	5 0 0	1,319
5 0 0 "	6 0 0	920
6 0 0 "	7 0 0	743
7 0 0 "	8 0 0	764
8 0 0 "	9 0 0	585
9 0 0 "	10 0 0	491
10 0 0 "	11 0 0	470
11 0 0 "	12 0 0	473
12 0 0 "	13 0 0	414

THE MOVEMENT IN NEW ZEALAND.

13	0	0	"	14	0	0	.....	348
14	0	0	"	15	0	0	.....	316
15	0	0	"	16	0	0	.....	254
16	0	0	"	17	0	0	.....	218
17	0	0	"	18	0	0	.....	199
18	0	0	"	19	0	0	.....	205
19	0	0	"	20	0	0	.....	168
20	0	0	"	25	0	0	.....	543
25	0	0	"	30	0	0	.....	473
30	0	0	"	35	0	0	.....	277
35	0	0	"	40	0	0	.....	230
40	0	0	"	45	0	0	.....	179
45	0	0	"	50	0	0	.....	173
50	0	0	"	60	0	0	.....	215
60	0	0	"	70	0	0	.....	124
70	0	0	"	80	0	0	.....	125
80	0	0	"	90	0	0	.....	80
90	0	0	"	100	0	0	.....	80
100	0	0	"	150	0	0	.....	239
150	0	0	"	200	0	0	.....	122
200	0	0	"	250	0	0	.....	67
250	0	0	"	300	0	0	.....	38
300	0	0	"	350	0	0	.....	26
350	0	0	"	400	0	0	.....	26
400	0	0	"	450	0	0	.....	15
450	0	0	"	500	0	0	.....	13
500	0	0	and over.....					129
Total.....								25,798

AREAS AND OWNERS OF LAND IN NEW ZEALAND.

The following particulars relate solely to lands owned by individuals or companies. Freeholds or churches, local bodies, friendly societies, educational authorities, land owned by natives, and Crown lands are not included in the return. The following table classifies freeholders according to the area owned on March 31st, 1910, exclusive of land held in boroughs and townships:

Acres.		Owners.	Area Acres.	Capital Value, £	Unimproved Value, £
5 and under	10.....	4061	26,833	2,114,542	1,139,259
10 and under	20.....	4001	53,259	2,275,537	1,322,424
20 and under	30.....	2688	60,445	1,567,653	969,349

THE MOVEMENT IN NEW ZEALAND.

49

30 and under 40	1705	58,273	1,215,660	785,904
40 and under 50	2043	97,034	1,250,676	816,413
50 and under 60	2264	118,930	1,640,936	1,073,724
60 and under 70	1382	87,833	1,169,180	784,924
70 and under 80	1128	93,167	1,137,855	749,333
80 and under 90	1326	109,645	1,251,734	828,677
90 and under 100	1179	112,402	1,348,897	905,149
100 and under 200	8865	1,239,932	12,876,407	8,749,090
200 and under 320	5602	1,399,798	11,577,813	8,100,131
320 and under 500	3712	1,478,097	11,507,327	8,200,938
500 and under 640	1682	944,706	6,670,569	4,848,247
640 to 1,000	2063	1,618,609	11,179,793	8,087,575
1,000 to 2,000	1748	2,487,571	14,967,929	11,034,208
2,000 to 3,000	564	1,276,022	8,052,591	6,057,102
3,000 to 4,000	281	1,975,841	5,079,293	3,835,182
4,000 to 5,000	161	714,332	3,601,423	2,720,092
5,000 to 6,000	99	547,077	2,653,082	2,008,339
6,000 to 7,000	84	533,165	2,753,996	2,081,243
7,000 to 8,000	51	384,418	1,633,407	1,232,605
8,000 to 9,000	40	336,927	1,224,908	911,947
9,000 to 10,000	32	311,494	949,375	700,762
10,000 to 15,000	82	993,549	3,896,641	2,938,706
15,000 to 20,000	39	667,832	2,147,427	1,726,740
20,000 to 30,000	28	683,368	1,984,990	1,508,004
30,000 to 40,000	5	175,001	313,003	232,399
40,000 to 50,000	6	262,565	331,727	196,091
50,000 to 75,000	9	560,250	545,068	412,625
75,000 and under 100,000	2	166,906	178,016	153,233
Over		Nil.		
Totals	46,922	19,575,281	£119,097,455	£85,111,019

CROWN LANDS REMAINING FOR DISPOSAL.

PALTRY REMNANT OF THE NATIONAL ESTATE.

Intimately connected with the question of settlement is the question of the available area of Crown land suitable for selection, and from what sources such area may be supplemented. The appended table shows the estimated area in each land district suitable for fairly close settlement, or suitable only for pastoral purposes. In addition to this there was an area of 1,323,202 acres open for selection at 31st March, 1911.

District	Estimated Area suitable for Set- tlement Purposes	Estimated Area suitable for Pas- toral Purposes	Total Area of Crown Land remaining for future Disposal
	Acres	Acres	Acres
Auckland.....	1,039,194	249,554	1,288,748
Hawke's Bay.....	25,532	92,742	118,374
Taranaki.....	293,814	.....	293,814
Wellington.....	130,944	106,647	237,591
Nelson.....	135,000	1,054,015	1,189,015
Marlborough.....	87,347	98,290	185,637
Westland.....	23,818	70,169	93,987
Canterbury.....	.....	.....	.....
Otago.....	75,000	58,775	133,775
Southland.....	68,000	299,837	367,837
Totals.....	1,878,649	2,030,029	3,908,670

TWENTY YEARS OF PROGRESS AND PROSPERITY.

The following facts and figures, culled from the latest New Zealand Official Grey Book, show how great has been the progress and prosperity of the Dominion since the passage of the Land Tax Act in 1891:—

	1891	1910
Population (exclusive of Maoris).....	634,058	1,002,679
Maoris.....	41,993	49,844
Occupied and cultivated holdings over one acre in extent.....	38,083	75,152
Land (including sown grasses) under culti- vation (acres).....	8,462,495	15,566,038
Horses.....	211,040	*404,284
Horned cattle.....	788,919	*2,028,771
Sheep.....	17,865,423	24,269,620
Exports (the produce of New Zealand) total value.....	£9,400,094	£21,944,163
Imports total value.....	£6,503,849	£17,051,583
Coal mines output (tons).....	668,794	2,197,362
Shipping—inwards (tons).....	618,515	1,389,031
Shipping—outwards (tons).....	625,807	1,367,207
Registered vessels belonging to New Zealand (gross tons).....	102,068	233,531
Bank deposits.....	12,796,098	24,968,761

*1911.

Bank assets.....	16,814,518	26,398,927
Bank liabilities.....	13,820,458	26,742,081
Savings Banks (post office and private)		
number of depositors.....	126,886	432,119
Balance to credit on Dec. 31st.....	£3,406,949	£15,620,515
Old age pensioners..... (1898) 7,443		16,020
Old age pensions.....	£128,082	£403,020
Public trust office and number of estates.....	1,825	5,466
Value of estates.....	£1,252,625	£5,184,840
Scholars at Primary Schools.....	119,523	156,324
Scholars at Secondary or High Schools.....	2,205	7,970
Scholars at Private Schools.....	14,142	18,981
N. Z. University graduates (direct degrees)....	279	1,424
Total assets per head.....	£315	£650
Public debt per head.....	£59-11-10	£80
Unimproved (land) value.....	£75,832,465	£175,289,861
Value of Improvements.....	£46,392,564	£102,340,222
Railways—.....		
Miles open for traffic.....	1,869	2,753
Receipts.....	£1,115,432	£3,494,182

HIGHER WAGES, LOWER FREIGHTS AND LOWER FARES.

The great increase in railway receipts has taken place in spite of the fact that since the Government rescued the railways from the Commissioners in 1895 its customers have been given reductions and concessions, and the employees have gained, to the following tune:—

	£
Concessions and fares and freights (including £650,000 for benefits accruing to agriculturists and pastoralists in reduced fares and freights).....	1,150,000
Concessions in pay and hours of railway staff.....	870,000
Additional train services, many of which have been provided to give facilities rather than to produce revenue.....	1,250,000
Total.....	£3,270,000

The following facts and figures are interesting as indicating the

GREATLY IMPROVED FINANCIAL POSITION OF NEW ZEALAND
today as compared with some 20 years ago.

CONTRACTED BEFORE 1890.

Interest bearing loans, £19,020,000, or 49 per cent.

Non-interest bearing, £19,810,350, or 51 per cent.

CONTRACTED AFTER 1891.

Interest bearing, £36,605,364, or 87.6 per cent.

Non-interest bearing, £5,642,408, or 13.3 per cent.

The gross indebtedness of the Dominion, it is true, is now £81,078,122 as against £38,830,350 in 1891—or £80-7-11 per head as against £61-19-4. But, while on the total public debt outstanding on March 31st, 1891, the average interest charge was £4-10-3 per £100, the average interest charge is now £3-14-0 per £100. During the period 1891-1911, therefore, the average rate has declined by 16/3 per £100; and the annual debt charge per head of mean population has fallen from £2-10-3 to £2-9-3, while the percentage of revenue absorbed by Public Debt charges has fallen from 38.96 per cent. to 23.87 per cent.

EVERY YEAR SINCE 1891 HAS BEEN MARKED BY A SURPLUS OF REVENUE and during the period the policy has been inaugurated of transferring money from the consolidated fund to the public works fund—a policy never dreamed of elsewhere—the last such payment brought the aggregate so transferred up to the sum of £8,500,000. Had this been a loan the interest paid up to date would have been over two millions sterling, and the annual liability for the same account would have been rather over £300,000 a year.

THEN AND NOW—OBSERVATIONS OF A NEIGHBOR.

The New Zealand Government pleaded poverty as an excuse for standing out of the scheme for reduction in cable rates, and said they were in the midst of severe trials from the commercial depression that had existed in the colony.

Sydney Morning Herald.

December, 1890.

Sir Joseph Ward's Budget once again recalls the astonishingly sound and prosperous condition of affairs in New Zealand. Not only is the financial position of the country impregnable, but it becomes stronger every year. Sir Joseph Ward might well claim that his case is unique.

September, 1911.

Sydney Morning Herald.

BORROWED TO BE GIVEN TO THE LANDOWNERS!

SCHEDULE OF NEW ZEALAND'S LOANS.

Readers of the SINGLE TAX REVIEW may be interested in the following complete schedule of the Dominion's public loans. They will readily recognize how large a proportion of this huge sum has to all intents and purposes been really borrowed to be given to the land owners:—

	£
Total gross public debt.....	81,078,122
Less accumulated sinking funds.....	1,240,734
Net debt.....	£79,837,388

The gross debt is shown in detail thus:—

BORROWED FOR—	£
Maori war	2,357,000
Defence	2,783,727
Railways	25,602,948
Roads and bridges construction	6,871,251
Public buildings	5,240,251
Telegraph and telephone lines	1,431,647
Harbors and lighthouses	573,683
Immigration	2,463,002
Lands for settlement	6,303,485
Government advances to settlers	6,974,935
Government advances to workers	964,765
Bank of New Zealand shares	500,000
New Zealand Consols	462,166
Purchase of native lands	2,461,167
Tourist and health resorts	131,507
Development of gold fields and coal mines	987,598
Loans to local bodies	4,882,000
State fire insurance	2,000
Reserve fund securities	800,000
Scenery preservation	40,000
Deficiencies in revenue charges and expenses of raising loans, increase by conversion, etc., provincial liabilities, and mis- cellaneous	9,244,990
	<hr/>
	£81,078,122

THE HOPE OF THE FUTURE.

THE UNITED LABOR PARTY ENDORSES NEW EVANGEL POLICY.

When resigning his seat in the Ward Ministry on September 5, 1911, the Hon. Geo. Fowlds said: "Whenever a truly democratic party arises in this country—a party pledged to definite principles, principles which it believes in, and which it is prepared to fight for—it shall have my whole-souled support."

The United Labor Party has come, and the Hon. Geo. Fowlds supports it.

At the Unity Conference, held at the Parliament Buildings, Wellington, last Easter, embracing delegates from the New Zealand Labor Party, the various trades councils, and numerous individual trade unions, the Housewives Union, the Young New Zealand Party, the New Zealand Land Values League, etc., representing from 40,000 to 50,000 of the useful people of New

Zealand—a gathering brought together mainly as a result of the eloquence, energy, and organizing ability of Professor W. T. Mills, M. A., of Milwaukee, and ably presided over by the Hon. J. T. Paul, M. L. C.—these various bodies decided to unite to establish the United Labor Party of New Zealand, while retaining their own individuality for the promotion of their own particular objects.

A thoroughly democratic constitution and platform was adopted and the following officers were appointed for the year:

DOMINION EXECUTIVE COUNCIL.

Hon. J. T. Paul, M.L.C., President.
 Mr. T. O'Byrne, Affiliated Building Workers.
 Mr. ——— Affiliated Mining Workers.
 Mr. W. A. Veitch, M.P., Affiliated Transportation Workers.
 Mr. J. Petterds, Affiliated Printing Trades.
 Mr. J. Robertson, M.P., Affiliated Agricultural and Pastoral Workers.
 Mr. G. R. Whiting, Affiliated Boot, Textile, and Clothing Trade Workers.
 Mr. J. A. McCullough, Affiliated Wood and Metal Workers.
 Mr. E. Tregear, Affiliated Commercial Workers.
 Mr. A. Withy, Affiliated Professional Workers.
 Mr. E. J. Carey, Affiliated Food Workers.
 Mrs. Harrison Lee-Cowie, Affiliated Women Workers.
 Mr. J. E. McManus, Affiliated General Workers.
 Mr. D. McLaren, Affiliated Radical and Progressive Associations.
 Professor W. T. Mills, National Organizer.
 A. McCarthy, Secretary-Treasurer.

THE OBJECTS OF THE PARTY.

- "1. To promote the organization of all the workers of New Zealand in all forms of necessary service;
2. To protect their interests in the matter of regular, rational, and remunerative employment;
3. To promote their good citizenship and to increase their efficiency;
4. To consolidate the political power of the workers in their own behalf; and to use their whole power (both political and economic) in negotiations with employers, in the Courts, in municipal, county, and Parliamentary bodies, in international relations, and (if need be) in industrial revolt;
5. To use the fruits of every partial victory to strengthen and continue this work until the power to oppress and exploit any of the workers, either by private monopolies controlling the Government, or through the private monopoly ownership and control of industry, shall utterly disappear, and there shall be secured for all the people power to purchase with their income the total products of their labor—until, in short, the means of production, distribution, and exchange (in so far as they constitute in private hands

instruments of oppression and exploitation) shall be socially owned and operated without profit and for the common good of all."

The proviso in parentheses in Clause 5, safeguards the position of the Single Taxers and others of like mind with them. Indeed it may be doubted whether the latter part of the clause would have been carried at all without some such proviso.

For the rest the National Platform endorses Mr. Fowld's "New Evangel" proposals, almost in so many words. The land plank, which demands the establishment of "a land system which shall bring into the most productive use, either by individual undertakings or by public enterprise, all natural resources; shall make absentee ownership and private monopoly in land impossible; shall secure to the land-holder all the values created by him and those only (all such values to be exempt from all taxation); and shall secure to the public in an annual tax all values created by the public," is particularly acceptable to Single Taxers, being, indeed, "the pure milk of the word"; and the taxation plank declares for "increased taxation of land values, the revenue so raised to be used to reduce the cost of living by the reduction of Custom taxes on the necessities of life not produced in New Zealand and by the reduction of railway freights and fares."

Both the National and Municipal Platforms demand Proportional Representation, and the Initiative, Referendum and Recall; and the Municipal Platform also declares in favor of "municipalization of public utilities"—gas, trams, waters, etc., and for "assessment of all rates on the unimproved value of land."

Messrs. F. M. King (Auckland) and Arthur Withy (Wellington) were the delegates sent by the New Zealand Land Values League to the Unity Conference.

HON. GEO. FOWLDS HAILS ADVENT OF UNITED LABOR PARTY.

Speaking at the first Auckland meeting of the United Labor Party, held at the Town Hall on April 27, Mr. Fowlds said: "I have waited for some twenty or thirty years for a truly progressive party to evolve in New Zealand. I left the Cabinet," he declared, "with the idea of precipitating the evolution of just such a party as is now evolving out of the industrial and political unrest."

He defied anyone to say what were the principles of the present Liberal Party, which had departed from the principles of the Liberal party as it existed under the leadership of John Ballance. Although he was not in entire accord with the full program of the United Labor Party, he could receive its platform with far more readiness than the platform brought down by the party he had been connected with for so many years.

"If the Liberal Party had been true to its traditions," he continued, "it would never have been necessary to start a new party under the name of the United Labor Party of New Zealand." Before very long, he considered there would be a clear line of demarcation between political parties in the

House, and the sooner this took place the better it would be for the Dominion. The time had now arrived for the establishment of a forward movement in favor of social justice.

AND UNDERTAKES CAMPAIGN ON ITS BEHALF.

In this Mr. Fowlds voiced the opinions of the Land Values League, which at a meeting held at Auckland on May 3rd, passed unanimously and with acclamation the following resolution: "That, in view of the prominent position which has been accorded to the taxation of land values in the program of the United Labor Party, and of the further fact that many other fundamental reforms, which in the past have been advocated by members of the Land Values League, have also been included, this League resolves to affiliate with the United Labor Party."

The Hon. Geo. Fowlds announced, amid loud applause, that he was about to undertake forthwith an active campaign on behalf of the United Labor Party. He has since addressed large and successful gatherings in these and other large cities—Dunedin, Christchurch, Wellington, and in most of the larger towns throughout the Dominion.

MORE THAN SATISFIED WITH RESULT OF TRIP.

We clip the following report of an interview with the Hon. Geo. Fowlds from the *Auckland Star* of June 6th.

In the opinion of the Hon. Geo. Fowlds, who returned this morning from a six weeks' tour in the south on behalf of the United Labor Party, the political prospects of the Radical Party in New Zealand are exceptionally rosy.

"I am much more than satisfied with the results of my trip," said Mr. Fowlds to an interviewer this morning. "I finished up at Gisborne on my thirty-first address, and practically everywhere I had good audiences and found the people taking a real live interest in the united labor movement. A large number of people who for over 40 years and more have been voting the Liberal ticket are giving their adherence to the new party as the only thoroughgoing Radical Party in the country. The workers' organization is being taken up vigorously everywhere, in the small country towns as well as in the larger centres, and I feel quite certain that the dividing line in the near future will be the United Labor Party on one hand, and those who are opposed to them on the other."

"IT HAS BEEN A REVELATION TO ME,"

went on Mr. Fowlds, "that the general average mind of the community is a long way in advance of anything that has been enunciated by either of the two standard political parties, particularly in the recognition of the need for increasing land values taxation. The fact that £126,000,000 has been added to the land values in the last 19 years, and that most of that has gone

to 22,000 'farmers,' is causing deep interest, and the justice of taking the larger portion of it for Government purposes is widely recognized."

Questioned as to his opinion of the party's immediate prospects, Mr. Fowlds declared that the position now was very different to what it was at the elections last December. "I have no doubt," he said, "that were an election to take place this year the vote of our supporters would be a very substantial one, but as to the position the Labor Party would obtain, that would, of course, depend on how the other two parties stood to one another. But if the United Labor Party has to the normal end of the present Parliament to carry on its work, it will be able to speak with some effect at the next elections. I am also quite satisfied that the radical members of the present Liberal Party have got to come with us before very long. It means that there will be a new party alignment altogether."

WHAT THE NEW ZEALAND LAND VALUES LEAGUE STANDS FOR.

By HON. P. J. O'REGAN

The following statement of the principles that the N. Z. League stands for was written by Hon. P. J. O'Regan to combat the proposals contained in the Governor's speech of February, 1912, and to put clearly before the electors of New Zealand, not only the ideals, but the immediate aims and objects of the League.

Our aim as a League is to secure the fullest possible development of this country's resources. That is to say, we desire the fullest and best use of the land, whether in town or country, and consequently the fullest employment of Labor and the fullest promotion of the well-being of the people. This aspiration can never be realized under a land system which falls short of securing to everyone the enjoyment of his right to the use of the earth. It will be admitted on all sides that no civilized community can exist without taxation, but we contend that all taxes which hamper industry are inequitable and that they should be abolished.

JUST TAXATION AND PREVENTION OF LAND MONOPOLY.

Land value taxation we regard as the ideal, both as a just and equitable method of taxation and as an unfailing preventive of land monopoly. Accordingly, we would, first, prevent the holding of valuable land idle and make land speculation and dog-in-the-manager land monopoly absolutely impossible by taking for the people the unimproved value of land, sometimes loosely termed "the unearned increment;" and secondly, by exempting all improvements and labor products from taxation, we would leave each individual complete possession and enjoyment of everything his labor produces, thereby encouraging to the utmost every trade and industry for which this country