

CHAPTER XXVI.

WHY THE NEW METHOD WOULD BE THE REVERSE OF OPPRESSIVE.

It is often stated that the *land* could not bear the whole taxation of a country, and at first sight the assertion appears to be an eminently reasonable one. But this arises from the mistake of overlooking the fact that the *land* already bears a *much heavier* burden. Those who have carefully read the preceding pages will not have missed the contention that the land now bears the whole of the annual ground rent charge. In all probability this amount in New Zealand considerably exceeds the whole of the taxation. "Then the taxation also comes out of the land, because all wealth arises from the application of labour to land; this term including all "natural opportunities." The two levies just mentioned, viz., the ground rent and the taxation, *both* come out of the annual produce of the people's industry. Single Taxers propose that for the future only the ground rent shall be taken up, and that all the taxes shall be repealed. This, then, amounts to a great *lightening* of the present burdens, and cannot, therefore, be called *oppressive*.

But take some figures which apply to New Zealand. A reference to paper "B 20, 1892," in the appendix to the "Journals House of Representatives," and entitled "Land and Income Tax Department,—Report by the Commissioner," we shall find on page 4 that the unimproved value, as at 1st November, 1891, of all the land owned in the Colony was £75,787,895. This may be taken as the selling value of the land as an income-producing investment. The income which land produces is ground rent. It will yield this to the investor or working proprietor, over and above the living which can be made by using it. If this was not so, the tenant could not exist and pay rent as well. If it was not so, the working proprietor who had as large a loan as possible on his land could not pay the interest. If it was not so, the working proprietor whose land was unencumbered would not make interest on the capital which he had embarked in its purchase.

It does not follow that all the land in the return *is*—and it is not necessary to the following contention that it *should be*—let on ground rent to cultivators. But the selling value would not be there if a possible

ground rent did not exist as its basis. Now, an owner may either let his land, and take what cash income it will bring, or he can work it himself, and thereby, as has been shown already, make the ground rent in addition to the living which a tenant could make. For the present purpose, therefore, it amounts to the same thing, viz., that the whole seventy-six millions is, as stated above, an income-producing investment.

The question to be considered next is, "What is the probable ground rent which it may be expected to yield?" This is a question of percentage. Scarcely any capital has been lent on mortgage at less than 6 percent. A mere loan carries with it no prospect of gain to the mortgagee through a possible increase of selling value. The *owner* would benefit by such a rise, and therefore purchases are, on the whole, made at a price which contemplates this prospect, and are, to that extent, based upon a higher ground rent than is at present obtainable. For this reason the rate of interest must be estimated at less than 6 percent. If it is taken at 4 percent, it will probably be about the mark. Now, 4 percent on £76,000,000 comes to more than £3,000,000, and it may be very fairly assumed that this sum represents approximately one of the burdens which the *land* of the Colony bears, and actually yields in money or in kind, to the owners.

In addition to this tribute to private individuals, the State is raising about £2,500,000 annually by taxation (apart from railway, and post and telegraph revenue, which cannot be classed as *taxation*). The total burden, therefore, which is now imposed on the Colony under these two heads is £5,500,000. Single Taxers contend that the whole of this is really a burden upon the *land*. It certainly comes from the annual industry of the people, and there is nothing for them to obtain their living and their savings from except the *land* (including, as the term does, all natural opportunities).

Do Single Taxers propose to *increase* this burden? No; on the contrary, they propose to *reduce* it by £2,500,000, the amount of the present taxation. They propose to gradually divert the £3,000,000 of ground rent from the pockets of a section of the community to the respective coffers of the Colonial Treasurer and the local bodies. It is, therefore, apparent that, whatever charge can be brought against them, it cannot be shown that their proposals would *increase* the total *burdens* of the *people*. It will also be impossible, for those who deny that taxation

comes out of the land, to show that the burdens upon *land* would be increased.

CHAPTER XXVII.

IT IS THE FITTING SEQUEL TO THE ABOLITION OF THE CORN LAWS IN ENGLAND.

THE duties on corn brought into England from abroad had two principal results. They increased the price of corn to the consumer, and they enabled the landlord to get a higher ground rent. The favourite cry which was raised against the agitation of the Anti-Corn Law League was that it would ruin the farmer. But it was asserted by the reformers, and the result proved them to have stated the truth, that rents would fall with the reduced power of the farmers to pay it. This fact is now a well-established one—that whatever advantage comes to the tenant increases the competition for land, and causes rent to rise. The gain, therefore, as fast as existing bargains will allow of a readjustment taking place, goes to the land-owning class.

The abolition of the corn laws was the first great step towards checking the monopoly which the possession of a preponderating legislative power gave to landowners in England. But it only paralysed one of the strong *limbs* of the land system, and did not touch the *root*. It affected a *detail*, and did not alter the evil *principle*.

Half a century of cheap bread, and of a vast growth of manufacturing industry, have led to an enormous addition to the national wealth and to the average of comfort. But the old evil has co-existed PAGE 60 with these improvements, and the result has been that those who have owned the land have reaped the largest part of the increased benefit. Those who have left the old country have brought with them the knowledge that the owners of land there were the best off, and they have consequently taken care in the new countries that *they* would be landowners. Very few of them saw through the economic bearings of the question, and only a minority do so even, now, but the *knowledge* is *spreading*.

The agitation of the Single Taxers is directed to the completion of the work commenced by the abolition of the corn laws. Their efforts are not, however, aimed at lopping off branches, or at mitigating the evil, or at making a compromise with it. They go direct to the root of the

matter, and show that the private monopolisation of ground rent is inequitable, and must, therefore, be brought to an end.

CHAPTER XXVIII.

THE PRINCIPAL OBSTACLE TO THE REFORM.

THE principal obstacle in the way of the adoption of the Single Tax, is the fact that many individuals have secured the exclusive possession, in perpetuity, of large portions of the earth's surface — some by inheritance and others by purchase — without any reservation which renders them liable to make any annual payment to the community; that this possession gives to them the enjoyment of the ground-rent fund; that they have acquired this possession with the consent of the majority of that portion of the community which, for the time being, had a voice in making the laws; and that the individuals who enjoy such possession, together with those who were parties to allowing them to obtain it, are mostly of opinion that it would be unfair to introduce modifications into the bargain, except upon payment of due compensation. To this claim for compensation Single Taxers cannot agree. The claim, and its refusal, therefore, form a very real obstacle to the public acceptance of the proposed reform. There are many who admit the soundness of the theory, its equitableness, and the prospect which it offers of doing great good, provided it could be instituted at the commencement of some new colony, but they can't see how to make the change equitably. Single Taxers, on the contrary, are unable to admit that the present system can be equitably maintained.

CHAPTER XXIX.

FOUR OBJECTIONS TO GIVING COMPENSATION.

THERE are several reasons which Single Taxers consider sufficient to warrant their refusal to give compensation. The first is that the laws which have enabled individuals to secure the perpetual ownership of land, in such a way as to monopolise the ground-rent fund, were made by legislators in their own interest. The principles of New Zealand law are derived from the mother country, and it has therefore been necessary to refer to her laws.

This was done under a former heading, dealing with feudalism, and need not be repeated. Many political and social improvements have been made since feudal times, and Single Taxers do not believe very much in "the good old days," of wish to return to them. But it is of great importance to point to a sound principle which was acknowledged and acted upon then, but which has gradually fallen into disuse in modern days. This principle was that land could only be held on the condition of the holder rendering service to the State. It formed the sound core at the heart of things then, and it must be revived and put into practice again. It has been shown that this has been reversed in England. The landowner receives the ground rent (the modern form of payment, which answers to the ancient personal service), but he only pays a small share of the taxes in common with his tenants.

It is superfluous to inquire who made these changes. It is sufficient to say that the landless people did not make them, and it is safe to assert that they never consented to them, seeing that their opinion was never asked. In the most advanced countries, politically, the landless people are only just acquiring equality of voting power, and are still groping after correct economic principles, preparatory to using the newly-found power beneficially.

The anomaly of omitting "service" as a condition has formed the basis of New Zealand laws. Land has been bought without the condition being attached that perpetual service should be rendered for it to the community. The freehold title carries with it the legal right for the owner to absorb all the future value of ground rent. Coin has been paid to the State as the consideration. This has already been admitted, but is

repeated here for the purpose of asking if New Zealand legislators, as well as English ones, have or have not made land laws in their own interest, and without consulting the landless part of the community? The answer must be in the affirmative. In doing so, they have acted either ignorantly or wilfully. If *ignorantly*, they cannot make out a very *good* claim, and if *wilfully*, they surely dare not make any, that respect should be shown to such laws by the sufferers from them, after they have awakened to the position. The landowners have vigorously contended for the retention of their multiple votes based upon a landed-property qualification, and their success in keeping them is still in evidence to a certain extent. Land-owners even here have still the power of throwing their voting strength into either district in which their property lies; while landless people can vote only in the district in which they reside. Such a provision cannot escape the suggestion of being prompted by a self-interested motive.

The claim that an owner of land should have more voting and influencing power than a landless man has always been a most unreasonable one. It may be resolved into this: that a man who has by some means obtained a great and special legal privilege, for which he renders no public service, ought to have another granted to him in order that he may have a preponderating influence in opposing reforms. Further than this, it assumes that he who is maintained out of the ground-rent fund — created by his fellow-countrymen — should have a more effective voice than they in controlling the imposition of taxes and their subsequent expenditure. This privilege enabled such men in this Colony to impose and maintain the iniquitous Property Tax, the leading principle of which was the confusion of *laborer products* with *land values*.

The working of all such laws has been unmistakably in the interest of landowners, and it has been shown to be against that of the whole community, and especially of the landless section. Laws made in their own interest by any class holding the power can only depend upon might, and not upon right, for their sanction and maintenance.

Another principle may be laid down in reference to all laws, and that is: that where they affect anything which, like land, is essential to human life, one generation can have no right to bind the next. There is ancient and weighty precedent for this contention. The Mosaic law, in dealing with property, made a special exception as regards land (see

Leviticus xxv.). It limited all dealings in it to a maximum period of fifty years, and stipulated that, whenever the term *began*, it must *end* at the national Jubilee year, so that it made it impossible for a man, whatever might be his needs, to alienate the land for ever from his descendants. It was not the *land*, but the *use* of the land, which was dealt with: "The land shall not be sold for ever: for the land is mine" (v. 23). "According unto the number of years of the fruits he shall sell unto thee" (v. 15). Leasing, and not selling, was therefore the only kind of dealing which was permitted. Moreover, the lease could be *redeemed at any time* by refunding a part of the payment proportioned to the number of years which had still to run (v. 25-27). Land itself would, under such restrictions, *never* obtain a selling value; it could only carry a rental value. These were manifestly fair and necessary provisions, because otherwise a man, prompted by either necessity, extravagance, or greed, could secure an advantage by pledging the chance of his descendants. The Jubilee was to be ushered in with great rejoicings, and, notably, by a proclamation of "liberty" to all the inhabitants of the land (v. 10). Moses classed the continued secure possession of land by every family with the idea of "liberty." Universal family inheritance, proportioned in area to the number of males in each, was the basis prescribed for the original division of Canaan — "To many thou shalt give the more inheritance, and to few thou shalt give the less inheritance" (Numbers xxvi. 51-56). Further than this, and in order to prevent any chance of original favouritism in regard to quality and situation, it was ordered the location of the several tribes should be decided by lot. The Jubilee was the plan devised for making this system secure to future generations. As an additional precaution, apparently to reduce the chance of the divisions becoming disproportioned to the number of the future people, they were forbidden to make tribal inter-marriages. Every provision was evidently made with the idea of preventing any class from absorbing, and any other class from losing, the right to use the land. A very instructive confirmation of these principles is given fully 1000 years later by Nehemiah, who made the nobles restore lands, vineyards, olive-yards, and houses, to their countrymen (Nehemiah v.).

The land laws of New Zealand, the same as those of England, allow land once alienated to individuals by one generation to pass to other individuals by inheritance and sale to all future generations. The landless people of later generations receive no consideration for being deprived of this land. It is only the monied men amongst them who can

get secure possession of any of it. The mass of people in each generation, therefore, becomes less and less able to obtain the chance of employing itself. It follows, as a consequence, that it becomes less and less able to obtain real "freedom of contract" in selling its services for wages. Landowning legislators have thus laid a foundation of ice, upon which many an industrious man has slipped into poverty. A more genial sun than they have allowed to shine will arise to melt the foundation clean away. A new one must then be substituted, which shall be solidly built and truly laid, with the sanction of the whole community, so that every industrious man may build upon it with the assurance that the whole produce will remain his own.

Single Taxers maintain that secure individual possession of land is a necessary condition precedent to its most advantageous use. This is the great point which *freehold secures*, and which *leasehold prevents*. They therefore object to any man forestalling the chances of users by buying land as an investment for the purpose of leasing it. They also object to *users* being allowed to buy land in perpetuity for a lump sum, because (1) their payment does not benefit future generations, from whom the land is withheld; and (2) the necessary sum for buying an indefinite future value can never be calculated. They also object to the system because it *prevents* users from getting secure possession *without buying*.

Henry George rouses the ire of his opponents by the statement that he "would take the kernel and leave the landlords the shell." The statement, and the anger which arises, both assume that the land-lords now possess the kernel which exists in land possession, and that landless people have it not. It is, doubtless, the recognition of this, as the salient fact of their position, which causes landowners to become irate when it is proposed that the kernel should be taken from their exclusive possession, and made common property.

But what prior claim have landowners established to the kernel? None whatever! It has been pointed out that they were for centuries practically the only legislators, and that there is not yet an English-speaking community in which they do not possess a "voting" advantage over landless men. They have made laws which have enabled them to hold the land as a privileged preserve; which have provided that inheritance and purchase should bar the chance of landless people to

employ themselves on land, without first reckoning with them — the owners; and which have increased the difficulty of obtaining it by heaping stamp duties and legal impediments upon its transfer.

In all these arrangements, they have assumed that there was no one else entitled to be consulted. The ignorant many, the landless many, the politically powerless many! Consult them! Assume that *they have* any interest in the question! Absurd on the face of it! This has been the theory acted upon in the past. Nay, it is so *still*. The supporters of the system even *now* deny that the landless people have any interest in the question. They are not entitled to the kernel; that is for the landowners. And the kernel may be inherited from generation to generation; as a strict preserve, kept away from landless people. This belief is apparently shared in by the New Zealand supporters of the "eternal" lease, with its non-revisable rent, based upon to-day's selling value. Those who take up these leases, and their descendants after them, are declared to have the sole right to the increase of the ground-rent fund — regardless of the real or supposed interests of their fellow-countrymen — for *ten centuries* to come.

Single Taxers declare that there are people beside landowners, and even beside "eternal" leaseholders, who ought to be consulted in land transactions; that the results of the present system prove it to be injurious to landless people, to tenants, injurious even to working proprietors, and therefore to the people collectively; that this injury is of itself a sufficient reason to condemn the system: and that, apart from results, the original titles were bad, because no power ever possessed the right to confer them. Neither inheritance nor purchase can mend them in this respect, and therefore no title today is valid as barring the claim of landless people. Purchasers only acquire what the sellers have to dispose of. As between the two the transactions are doubtless complete, but there may be a third party outside the door who is interested, but who is not privy to the transaction, is not consulted, and receives none of the purchase money. As between the three parties — provided there is a third — the transaction is not complete, and is, therefore, not binding.

To make the meaning of the argument quite unmistakable, take an illustration from the system of slavery. Don't be horrified! It is not a very *remote* comparison; neither is it a *disrespectful* one. It is well within living memory that Englishmen, statesmen, and ministers of

religion, upheld its principle most strenuously. A few philanthropists — far fewer than the present band of Single Taxers — denounced it root and branch, and would throw it down utterly. They condemned the principle, and would not hear of men being so placed that they should be *thankful* that their masters acted *kindly* when the law allowed them *to flog*. So Single Taxers condemn the principle, and refuse to recognise as proper the *thankfulness* of a tenant who receives *20 percent remission* of rent from a landlord whom the State allows to *rack-rent* him. In both cases mercy and leniency are insults; it is *just conditions* which alone can, or ought to, satisfy.

But to the illustration. If A owns a slave, and B buys him, the transaction is complete as between the two. A's ownership is extinguished by his acceptance of B's money. It would be robbery if A came and took the slave back. It would be robbery if the State took him from B and returned him to A. But what about the slave's part in the transaction? He hasn't been consulted; no price was originally paid *to him* in consideration of surrendering *his liberty*; this further transaction doesn't benefit him, but it presupposes his continuing to surrender his liberty.

At this day it will be admitted that the slave ought to have been consulted; that he had an equal right with A and B to his own liberty; that he was not bound by the transaction into which A and B entered; that he was entitled to seek his liberty without any reference to the fact that B had paid money to A on the strength of his continuing to surrender it.

So it has come to pass that landless people have begun to question their position and that of the landowners. The questioning will be continued by them, and many already see through it. The landless people have not been consulted, neither have they been bought out of their rights, for they have not received the purchase money. No purchase price *could* ever pay them and their descendants. The only price which could ever equitably discharge the indebtedness of those who own or use land, would be an *annual payment* to the whole community for its use equivalent to its value from year to year. The *harbours* of the Colony might as well have been sold as the *land*. Syndicates would buy them *yet*, if they were offered, and would make a good thing out of charging ships for admission. And *why* not sell them? Every reason

against doing so weighs equally against selling *ground rent concessions!*

The day is likely to arrive soon when Englishmen, statesmen, and ministers of religion, who now denounce the proposal, will as clearly approve of it as they now do of the abolition of our slave-owning system.

The compensation argument will run its course, and the £20,000,000 awarded to the slave-owners in Jamaica will be trotted out as a precedent. But it won't do! There was a big *third* party with a breeches-pocket who paid *that* money to free the oppressed. There is no hope of such an one appearing in this case. If the oppressor is to receive compensation in this one, it must come from the oppressed. There is *no third party*.

But apart from this, Single Taxers object to the *principle* of compensation in both cases. They say that the State would have been quite right in taking the slave from A or B without compensation, and presenting him to himself. For the same reason — viz., that all the parties interested have not been consulted — they contend that the State is justified in taking the monopoly of ground rent from landowners and presenting it to those who have created the fund, *i.e.*, the whole community.

The second reason for declining to sanction compensation is that the economic and social *remits* of the monopolisation of ground rent have proved detrimental to the welfare of the community. These results were not so marked in former years as they have become since the introduction of steam transit, the discovery of electricity, and the great introduction of machinery into production of every kind. In the former times alluded to, the great contrast now existing between the values of certain central localities and those of merely country lands had not arisen. It has, therefore, come to pass that these legalised bargains in land, originally unsound in their nature, have become increasingly productive of evil; that they have brought to many land-owners wealth which was the produce of other men's labour. That this wrong *distribution* of the wealth produced has led to the great contrast, now more than ever apparent, between the rich and the poor; that it has created a class of landed proprietors who "toil not, neither do they spin;" that it has tended to the absorption of many small estates of working

proprietors by their larger neighbours; has, in its further developments, led to the crushing of small manufacturers by larger ones; to the creation of great distributing agencies and the corresponding reduction of the number of small retailers; and to the superseding of independent hotelkeepers by mere servants of brewers and wine and spirit merchants. That the inevitable result of such changes has been to compel large numbers who once worked on their own account to seek situations and to become mere wage-earners, with no alternative pursuit open to them; that a further result of this tendency has been to make wage-earners compete with each other in order to obtain a mere existence, and so to squeeze the less capable of the race onward and downward into conditions of pitiable poverty. If these results can be connected with the system which permits the monopolisation of ground rents, it may well be suggested that *restitution* would be more fitting than *compensation*.

A third reason may be found by carefully considering the actual position of landowners in New Zealand. In several respects their position here differs from that of English owners. Let it be admitted that many owners have paid cash to the State for land which they now own, and that very little time has elapsed since cash was thus paid for most of the land. But these facts are often stated as if they formed a conclusive argument against all land reform here, or at least against any reform which was not accompanied by compensation. But let us look at the matter all round. There can be very little doubt that purchases made from the State are more in the interest of the buyers than those which are made from private individuals. In the latter case, the proceeds would have become the exclusive possession of the sellers. Not so in that of the State. It does not *capitalise* the money and use the *interest in reduction of future taxation*. If this were done the case of the landowners would be very different. But the State promptly expends it all upon public improvements, which result in more good to landowners than to any other class of the community. It is often asserted, as if in contradiction of this statement, that it supplied employment and wages for the working classes. Agreed, at once; but that is no contradiction. Such employment is only the necessary *channel*, and not the *goal*. The money necessarily went through men's hands, as through a machine, in which it was transmuted into public improvements. It was not thereby lost, because *value was returned* for the wages which were paid. The resulting improvements

were worth the cash expended or invested in wages. The money so expended in public improvements found its *goal* in the increase of land values within the sphere of its influence. It was not *spent*, but *invested*, to the permanent benefit of land values. Or, again, the effect was collectively the same as if the money had been returned to the owners on the condition that they expended it *outside* of their own lands on *public improvements*. The owners could only effect these by hiring labour and paying wages. In return for these the owners would get an equivalent in the shape of enhanced value. The process in each case would be the same, and the result identical. The fitting expression from the owners in either case would be, "My money is restored; and lo, it is even in my sack!" It seems almost superfluous to repeat that no such benefit or return would have resulted from a purchase from private individuals. No private person would expend the proceeds of his sale around the land which he had sold. He would be much more likely to buy some more land, which was not as yet in great demand, and thus continue the "forestalling" process.

But there is another fact which is *very* generally ignored by those who look upon only one side of this question. It is a very large and important fact, and deserves more prominence than can be given to it here. This fact is, that the Colony has borrowed upwards of £30,000,000 (apart from the unproductive debt incurred for war expenditure), and has laid it out in public improvements. This burden rests upon the shoulders of the *whole community*, and the annual interest is provided by *all*, and absorbs about *two-thirds* of the entire taxes. Who has got the main benefit of this expenditure? The *landowners* of the Colony; yet the *whole people* pay the interest upon it. The case is analogous to that of the aforesaid practical return to them of their purchase money, in the form of increase to the value of their land.

This statement will strike many as being very extreme and unwarrantable, and, indeed, it *must* so appear to all who have not studied the causes of the increase of ground rent and of selling value. But it is sober and demonstrable truth, nevertheless. We have not borrowed 30,000,000 sovereigns, but railways, roads, bridges, school buildings, Government premises, telegraph plant, etc. Sovereigns are far better left out of our reasoning on economic questions. They only serve to add another term to the problem, and therefore to complicate it. The "interchangeability of wealth" is the central key to a clear and

simple understanding of all questions of production and distribution. The proximity of all these borrowed conveniences to private lands, has attracted population, increased the profitableness of existing industries, and brought additional ones into being. Each step has added to the ground-rental values of the lands affected. This has increased the selling value of all private lands, and whetted the desire of speculators and income-seeking investors to purchase the Crown lands which are still available. Landowners look to these changes as to their "star of hope." They make no concealment of this in their conversation. Land agents boldly advertise them as inducements to purchasers to come forward. Buyers look to them as unquestionable plums intended to reward what they consider to be *their enterprise*. They have no doubt whatever that they are properly their perquisites, and they often get very angry when anyone disputes their equitable light to them. Every increase in population, every improvement in the means of production and transit, every increase of expenditure on public improvements, adds to the ground-rent fund—though the owners may sleep in the meantime. This fund, with its constant increase, goes, under our present system, to no one but landowners. But what equity is there in such an absorption by individuals of these benefits, without payment or even acknowledgment to the community which has brought them to their doors? There is no equity in it; it is confiscation, and must be stopped. It is, in other things, considered that payment should be received from those who reap a benefit, but our land laws are founded upon a principle which opposes a silent, but effectual, denial to such commonsense fairness. That fatal principle is the delusion that land may be treated in the same way as the products of man's labour.

Scarcely any statement of land reformers goes without challenge, and there are some even who have the hardihood to state that land value does not constantly rise. Return waves certainly occur, and striking instances of depreciation can be readily found. The system itself leads to "booming," and, of course, collapse of values must follow. All along the line many lose, and many more fail to make a profit, by land dealing. But turn to total figures. The 1891 assessment for the land tax gives £75,787,895 as the value of freehold land exclusive of improvements. What was the original selling value of this? A reference to paper "C. 1—Report on Crown Lands," for any recent year shows that the total cash received by the Colony for the lands which it has alienated, is about £13,500,000. The unearned increase to owners has therefore been

more than £62,000,000, apart from their own exertions as individuals, because it is exclusive of their own improvements. Of course, this unearned increment is due to *their* presence as members of the community, just as much as to that of any other equal number of inhabitants. Their presence has created *part* of the fund, but they have received it *all*. They receive it in very *unequal* shares, and some, as has been admitted, have lost instead of getting any share. But their *class* alone gets it; no one will pretend that any *landless* man gets any of it, or that he ever stood any *chance* of a share. It would be interesting to see this increase of value explained from the landowner's point of view.

The conclusion forced upon land reformers by all this, is that New Zealand landowners, as a whole, have had a magnificent fund to work in. The landless man may well be described as Issachar was by his father Jacob (Genesis xlix.14-15): "Issachar is a strong ass, *crouching dozen between two burdens*: and he saw that rest was good, and the land that it was pleasant; and bowed his shoulder to bear, and became a servant unto tribute." The *one* burden is the obstruction and uncertainty placed in the way of the industrious, by the imposition of landlordism upon the community. The *other* burden is the taxation, two-thirds of which consists of interest paid for the improvements, which have been borrowed from England, and placed around the owner's lands, with the result of increasing their value.

But there is a fourth reason, which has been already alluded to, for disputing the compensation claim. The question at once arises, "If the owners are to receive compensation, who is to provide the money?" On this particular issue, the community is composed of only two sections: those who *receive* or enjoy ground rent, and those who do *not*. There is no third section. No one receives it unless he owns land. The line of cleavage, therefore, is that which separates land-owners from landless people. Now, it will have been observed that the whole indictment of the present system is that the landowners profit by it, while the landless suffer. If this indictment has not been sustained, then the claim for the reform has not been made good, and the compensation counter-claim will, therefore, not arise. But if the indictment should happen to be made good, and if Parliament should thereupon decide to institute the reform, and to award compensation, it will be found that the landless people would be the only ones who could be called upon to pay it. This

would create a curious anomaly. The section which had *suffered* would be the one to *pay* compensation; the section which had *profited* would be the one to *receive* it. The claim is too absurd. We need not get up any indignation about it; it would be dismissed from any court.

If the *present* owners — the last of a long series — have to make a sacrifice, they cannot blame those who did *not* receive their purchase money. Whether they bought willingly or unwillingly, they can only appeal to their predecessors in ownership, and to that section of the community which maintained an unsound system. The willing buyers must also take to themselves their own share of blame in upholding it. The system in which they have hoped to participate was made and sustained by a political system, in which a preponderating voting power was given to landowners, as compared with landless men. The complaint of the present owners must, therefore, lie at the door of the past generation. They can only get out of their bargains by "unloading" on to future victims, and can only succeed in this by persuading the community in the meantime to go on suffering serious disabilities for their sakes. But this cannot be allowed. If the landowners want compensation, they must present their bill to their own class, which made the laws; to their own class, which has continued to bolster them up by plural property votes; to their own class, which has been the only one to benefit, and not to the landless people who have suffered by the system.

The *gradual* restoration of ground rent to its producers, and therefore to its equitable owners, is what is proposed. It is equivalent to a *time-extension* of the existing privilege of landowners, at a steadily decreasing rate. This is a great concession, and is all that landowners need expect to get.

CHAPTER XXX.

WHY THE REFORM WOULD NOT BE UNJUST.

HOWEVER general the agreement might be upon the feasibility of the scheme when once brought into operation, there would still be many who would cry out against such a change on the ground that it would inflict injustice upon the existing owners of the land. "What!" they would say, "tax the selling-value out of land which a man has paid hard cash for under the sanction of law? That would be confiscation." The plea deserves the consideration previously given to it, and it must be at once conceded that if the proposal can be shown to be unjust it has received its death-blow. Not that every old injustice is dead and gone, but that it is less easy in these days to inflict new ones. The old ones, moreover, cannot last for ever, if the Creator is ultimately to rule and to evolve harmony and permanence out of the conditions of unrest and transition in which we now exist. More than that, no reformer should knowingly advocate that which he cannot recommend on the score of its justice. It is a hopeful sign of the times that appeals are now made to "justice;" it was not always so. Single Taxers put forward their proposal distinctly and avowedly as a means of *removing* a great and far-reaching injustice which is now in existence, and which they believe produces the greatest economic and social troubles of our time.

The onus of proof lies with the reformers, who must make good their assertion that the system which they seek to overthrow is an unjust one. They must, moreover, show that the remedy is not worse, in this respect, than the disease; that, indeed, it is not so bad. Nay, it is not too much for the public to ask them to show that their remedy is the best that can be found, and that it would entail the *minimum* of hardship upon those who are called upon to make a sacrifice. It is simply absurd, however, to ask that any injustice shall be removed without *some sacrifice*, being made by those who have benefitted by its existence.

First of all, then, as to whether the present system can be shown to be an unjust one. The alleged injustice consists in the monopolisation of ground rent by a section of the community by means of the legalised system of private ownership of land.

Single Taxers contend that this fund is not created merely by the section which receives it, but, in a more or less equal degree, by every member of the community. It is difficult to imagine any condition of life, in which a man could exist in a community, so low that his presence produced no perceptible increase in the demand for land, and therefore in the ground-rent fund. He must wear no clothes, sleep out of doors on public land, wash without soap in a public stream, never get his hair cut, eat nothing but what grew of itself or was thrown out as waste, he must never drink except at a public tap, and must not use any implement made by his fellows, or even by himself if the materials were produced or gathered by others. Such a person could not be found even now amongst the poorest of the poor, and under the proposed conditions none would even distantly approximate to such a condition. A man who used or consumed anything could not fail to bring some custom to the clothier, the builder, the soap-boiler, the barber, the provision dealer, the maker of tools or utensils, or the merchant who collected the materials necessary for their production. Every such increase of custom has a favourable influence upon some man's trade; it makes him willing to give more to stay where he can secure the increased custom, and it makes others anxious to procure the same stand in the favourable market. These are the causes, described in very homely words, which first *create* ground rent, and then *increase* its amount. It is clear that every individual does something towards it.

Under the present system, those who are fortunate enough to get possession of sites which come to be in demand on account of the superior facility which they afford to users for supplying the wants of the growing community, become entitled to the resulting increase of the ground rent and the selling value. Single Taxers consider that the possession of this contingent advantage by landowners is subversive of the only true, and therefore "natural," right of property, viz., "that a man should own that which his labour has produced." This is denied by some, who say that "natural rights" have no existence in a community, and who assert that no member has any "rights" but such as are conferred upon him *by the community*. Such persons point out that the community has, in its wisdom, and in the exercise of its right, seen fit to allow individuals to acquire freeholds, and to receive all the advantages, or the reverse, which may happen to come to them. Many consider that this is a complete answer to land reformers and their

various "fads" — that there is no appeal from the decision of the community.

There can be no harm in meeting these people on their own ground. The community can get itself into an illogical position as easily as an individual can, if it does not act on sound principles. It will probably be admitted that the various decisions of a community should be consistent with each other; that they should not be based upon one principle when dealing with one man, and upon a different principle when dealing with another. If the necessity of mere consistency is admitted, then Single Taxers will be quite as willing to abide by the decisions of the community, as to fall hack upon the theory of "rights." They are appealing to the community to alter one of the customs which it has long sanctioned. If it has power to *give* or *withhold* rights, it must have power to *vary* those which it has conferred. If it can be shown that altered circumstances warrant a change, then the community is in duty and consistency bound to vary them.

The point which Single Taxers now submit to the community is as follows: The system of private ownership of land is based upon two principles, which act in direct opposition to each other in the cases of landowners and landless people. Take an illustration to show what is meant by the existence of two principles. Suppose a number of men are busy for some months in preparing a field, in sowing the crop, in weeding the ground, and then, in process of time, in reaping, gathering, and removing to market that which they have grown. Just as they are driving their wagons out of the gate, a man walks up to them and says that he claims part of their produce. At first they take no notice of him, and think it is only a joke on his part. But he insists, and shows that he is in earnest. Then they stop, and ask him for his title to share with them. He replies that the land upon which they have grown the crop belongs to him. To confirm his claim, he summonses a "grave and reverend seignior," with several strong attendants. He appeals to the former as the law-maker, and claims the help of his attendants to secure his lawful share. The cultivators plead their case, and say that it is quite true that they have seen the man before, but that he only walked past the field occasionally and sat on the fence watching them at work, and that he never offered to help them, never gave them any advice, nor, indeed, ever spoke to them at all. They say that they can't see that, as he failed to help them, any part of their produce can be due to him. But the law-

maker confirms the landlord's claim, and says that the community has settled it in that way, irrespective of any assistance being given by the owner. It is in vain that they urge that they were not consulted in making the laws, and that they don't think this is a fair one. The strung attendants lead away one of the wagons, and place it at the disposal of the landlord, and then take a part of another load to help to maintain themselves and their master, the law-maker.

After all is done, the men meet together to discuss the matter. The conclusion at which they arrive is that the community, in two respects, applies one principle to the landlord and an opposite one to them.

The first respect is, that the landlord is allowed to claim a share of that which he has spent no labour in producing, whilst *they* are not permitted to make a similar claim to a part of his, or of anyone else's, productions. They readily see that such a permission would save them, as it does him, a lot of exertion, but they can't make out that it would be fair to those upon whom they call to make the necessary sacrifice. It is apparent that if they might act in this way, there could be no good reason why the other workers should not come next year and return the compliment.

The second respect is, that the landlord is allowed to hold possession of land which he does not use, while they are denied the same privilege. This is making "fish of one and flesh of the other," and applying directly opposite principles to the two cases.

In answer to the contention that the owner has inherited or bought the land, and that he has allowed them the use of it in consideration of payment, they say that they entirely fail to see how any set of rulers can ever have obtained the right to allow a man to acquire possession of more land than he needed for the support of his family. It is obvious to them that this is the present legal position, but they cannot understand its equity; neither can they see how it was possible for any bargain to have been made *many years ago* which should *equitably* dispose of the *perpetual* interest in any piece of land. No services rendered to the community of *that day*, and no price paid down, could justly have purchased such a right *in perpetuity*. No past generation of men could have any right to barter away that which the present generation needs for its existence. At any rate, they would be bound to keep intact the money or other consideration which they received for the "concession,"

and to hand it down to those who were to come after. The present generation has received *no consideration* in return for being deprived of the use of land. There was no means of knowing at any past date how much a concession of that sort might come to be worth in the future. They are not, therefore, inclined to view such titles as constituting a valid bar to their equal claims to work securely in order that they may live. They see that land is continually *varying* in annual value, and that only an *equivalent annual payment* made to the *existing* community can possibly discharge the debt due for the permission to *continue to occupy*.

It is apparent to them that there is plenty of land in the world for all; that it was provided by the Creator, and not made or brought there by the owners; and that it has not even been increased or rendered more useful by them. They see that the origin of *land* is, therefore, entirely different from that of *produce*, for the latter requires the constant attention and exertion of the workers, both to grow and to store it up.

At this stage, in order to assist themselves to grasp the problem thoroughly, they assume a case—viz., that all the people who exercised any industry were removed from the country. It is evident, in such an event, that the landlords and speculators would soon become extinct unless they set to work to produce things. Buying and selling the land *amongst themselves* would not supply their wants. They could not live as they now do, unless the industrious part of the community remained. It seems, therefore, to be a sound inference that the industrious people exist as a precedent necessity to the success of the operations, and even to the continued existence, of the landlord and speculator. The men wonder how long the industrious will thus continue to act the part of the "lion's provider." If the reverse of this operation were performed, and the landlords and speculators were removed from the country, they see that everything would go on better. The industrious part could work and live much better without them. All the producers being left in the country, the produce would be at least as great as ever. Not only so, but all the restrictions upon tenants being removed, the whole of their produce being left with them, and the lock-up being withheld from land now kept out of use, the total production would be *much more* than before. But to crown all, the whole of the former production, together with this large addition, would be shared amongst the workers only, so that each one would get very much more.

After a few years the result of such a change for the better would be as marked in its character as is now the result, for evil and distress, of the operation of opposite conditions.

These men finally determine that they do not desire to be admitted to the same unjust privilege with the landlord, viz., to be allowed to hold land which they do not use. The claim which they decide to urge is that, on the other hand, the landlord's privilege should be revoked, and that all should have the same chance afforded to them. It appears to them, also, that it would only be just to alter the system, so that they who are prepared to work should have secure possession of as much land as they can use — always subject to payment for its annual worth from time to time.

Single Taxers entirely agree with these workers in the conclusions at which they have arrived, after a temperate discussion of conditions which were calculated to arouse very different feelings. The fact that the landlord has inherited or bought this anomalous privilege may be dismissed, as affording no justification for its retention. The system stands condemned as inconsistent with itself, as utterly unjust, and as highly injurious to the moral and material welfare of the community which permits it to continue. It strikes at the root of the moral sense by confusing and rendering contradictory every just and even common-sense idea of what property is, or of what may properly be included in the term. It sanctions such an outrageous plan of distributing the produce of industry that some have barely enough left to serve for, or until, next season's sowing; while at the same time many others have no need to trouble about providing for this indispensable operation, but have merely to "watch the gate," and demand a share of what the industrious have produced.