

## CHAPTER VI.

### PRACTICAL POLITICS.

**BEFORE** attempting a reform so wide and deep, it is equally necessary and prudent to count the cost—to sum up our resources and look that we do not undertake more than we can perform.

Since we must abandon at once so much of our revenue as is derived from the Custom House and the Railways, and have only the Single Tax to make good the deficiency, we must reckon up how much is likely to be obtainable from that source.

This question brings the matter “within the range of practical politics,” and upon the answer depends the fate of the New System.

In the absence of any exact statistical information on many points, we are compelled to trust largely to inference from the few and meagre facts at our disposal. Nevertheless, there is nothing discouraging to be found in those facts, or in any deductions that can be drawn from them.

The total area of the land from which it is proposed to draw our future revenue is about 196,000,000 acres consisting of about 45,000,000 acres of private lands, and 151,000,000 acres of public land.

The private lands comprise all that is most valuable, and include municipal areas, towns and villages not

incorporated, water frontages, and the best Pastoral, Agricultural and Mineral lands throughout the country.

In the various municipal areas there are upwards of 5,000 miles of streets and roads, and in unincorporated towns and villages perhaps about an equal length. Land fronting these streets and roads is sold at so much per foot, the price varying between wide limits, ranging from £1,000 per foot in parts of Sydney to £1 per foot, or less, in the least favoured parts. The total area of incorporated lands is about 1,400,000 acres, valued with improvements at £131,500,000. ("Wealth and Progress, 1889," p. 606.) Assuming that of this sum improvements represent £31,500,000, we then have £100,000,000 as the estimated value of all incorporated lands. If we add £25,000,000 as the value of other town lands, we have £125,000,000 as the assumed total value of all private town lands, an estimate that is probably less than half the true value. Of the remaining private lands, about 42,000,000 acres, including the choicest land of the whole colony, the value varies from £200 to £2 per acre. Assuming the average at only £5 per acre, the total value would be £210,000,000, although including all improvements it is valued by the Government Statistician at only £181,200,000. For present purposes, and as a rough approximation only, we may safely assume the total value of private lands to be not less than £250,000,000. But what is wanted is the *annual* value, upon which

alone the Single Tax is levied ; and we have no figures or data to guide us to even an approximation. Let it then be assumed that the total amount to be paid by private lands is £2,500,000, or an average of less than one shilling and three-half-pence per acre per annum. And let us take the contribution from public lands at £7,500,000, or one shilling per acre per annum. These two sums give a total revenue of £10,000,000 per annum. The revenue for 1889 was £9,063,399 only, so that there need be no doubt as to our ability to raise revenue from the land by means of the Single Tax.

Thus, it has been demonstrated that, even under present circumstances, with all the drawbacks of a vicious and destructive policy to support, the land can supply us with a greater revenue than our present cumbrous and expensive system yields.

Under the New System, with a rational tax to encourage the development of our immense natural resources, with the way to national greatness and prosperity cleared of all its obstacles, with land values multiplying yearly, with a rapidly-increasing population, and with numberless new enterprises flourishing luxuriantly, and their produce largely increased in value, it will be easier to raise £50,000,000 than now to raise £5,000,000.

With regard to the method of imposing and collecting the new tax, a few suggestions will not be out of place, as showing the feasibility and simplicity of the

scheme, as compared with the present costly and intricate system.

For these purposes the whole country should be divided into Municipal Districts under Local Government Boards with assessors to survey and value the land. From the returns of these officers the Treasurer will be able to calculate the rate per cent. on the annual value of private lands that must be levied to give the required revenue for the year. Assessments should be made annually, at least for some years, and provision made for the hearing of appeals to the Local Government Board. The tax should be paid to the office of the Local Government for transmission to the Treasury. The Local Government Board of each District should prepare schedules setting forth such local improvements and the cost thereof as may be required, and submit them to the General Government, who will approve or reject what they think fit and place the sum required to the credit of each District. In dealing with these the General Government will always remember that such local improvements as Railways, Roads, Bridges, Wharves, etc., will all tend to increase the value of land, and so enable it to pay a larger revenue, if required; whilst the knowledge that such works will render local lands subject to a higher assessment will prove a wholesome check on extravagant expenditure by the Local Government Boards. Wherefore it may be deemed advisable that such Boards should consist for the most part of

individuals belonging to the District over which they preside.

The object in view here being merely to indicate with what marvellous ease the change from the Old System to the New can be effected, it is unnecessary now to dip deeper into details of administration. Statesmen accustomed to measure the value of a suggestion at a glance will readily perceive the superiority its magnificent simplicity confers upon the Single Tax over the intricate, conflicting, and confused system under which we now suffer.

With regard to Free Railways, since the abolition of charges for freight and passage will not necessitate any change of administration in other respects, there is no need to explain anything. There will be, of course, an immense increase of traffic, which will be provided for as new requirements develop themselves.

The New System having been thus conclusively proved to be "within the range of practical politics," it remains to deal with certain objections, which do not touch the "practical" side of the question, but affect its value by attributing to it effects it cannot produce and intentions it does not entertain. Some of these objections are raised merely for the purpose of confusing the issue and creating a prejudice against the New System, using imaginary evils as bugbears to fright the souls of the timid and ignorant and deter them from supporting it. It is asserted, for instance, that the New System will interfere with our

present methods of dealing with land ; that it will affect the stability of the money market ; that it will make land valueless ; that it will raise the price of everything ; that it will depreciate the value of our securities ; that it will injure large landowners ; that it will injure the small landowners and the free selectors ; and other objections of a like nature. Objections of a different character are, that it will make the rich richer, and the poor poorer ; and that it is a cunningly-devised scheme to take from those who have, and give to those who have not. All who have closely followed the argument so far cannot entertain any of these objections ; but to reassure and confirm the wavering, the statement already made is here reiterated, that the New System has no desire or intention to interfere in any way with the ownership of land, or with the ownership of improvements thereon. It is not proposed to prevent or hinder people from buying, selling, leasing, or selecting land, or to change in any way their right to do any or all of these things. Its effect upon the money market cannot possibly be prejudicial when it strews benefits broadcast in other respects. It cannot render land valueless until all the people take to living on the water or in the air. While they live on land it must always have a value. It will cheapen all kinds of goods and produce of every description, because there will no longer be any taxes on goods. It will increase the value of securities by giving free access to the land. It will

make land more valuable, *many times more* valuable, than it is now, so that it cannot possibly injure the large or small landowner, or the selector, or anybody else. It *will* make the rich richer, but it will *not* make the poor poorer. On the contrary, the poor will benefit equally with the rich, because all they earn is theirs, and they will no longer be plundered by taxation. *If they own no land they will pay no tax.* If they own land, *and use it*, they will pay less than they pay now. For instance, the farmer who (in the fourth chapter) was shown to pay £90 as a "prohibition tax," and £150 per annum as a "destructive tax," will pay only a percentage on the annual value of his farm, which was given at £50 per annum. Suppose the tax imposed is £10 per cent., the amount he will have to pay is only £5, and he will therefore make a clear gain of £145 per annum by the change from the Old System to the New.

"But somebody else will have to pay it," exclaims the objector, as if he had struck a new and invincible argument. But it has been answered already. Of course somebody else will have to pay it, namely, the landowners who now shirk payment by saddling those who use their land with the shirkers' share. The last objection is a puzzle belonging to the bugbear class, and is used to frighten silly folks with the idea that there is some sinister design, some terrible bogey somewhere or other hidden under the skirts of the New System. Silly folks will be frightened

accordingly, and will actually swear they have seen "bogey," where sensible folks see only the plain statement of a plain truth in the assertion that the New System will injure none but rogues and vagabonds, and those whose present business it is to injure others.

There are also some who think Free Railways are impossible, or that it will be long before we get them, or that they will be abused if we do get them, or that there will be no "first-class," or that there will be so much traffic that we will not be able to cope with it, and so on. The only one of these that deserves an answer is the last, for there certainly will be an enormous increase of traffic; but it will not be immeasurable, and the Railway Commissioners are not without resources, and our railway system is capable of extension, and the more it is extended, and the more goods and passengers it carries, *the better it will be for the country*. It may also be mentioned that none of the lines, except the suburban, are at present working up to one-half of their capacity.

It may be well, also, to repeat that neither the value of the land, nor the amount of tax to be levied upon it, as given above, is to be accepted as definitely fixed. The amounts given are introduced only for the purpose of showing that, on an assumed low valuation, it is possible to raise from the land a revenue amply sufficient for all present requirements. The estimated average tax of one shilling per acre on public land is



merely a suggestion which may prove to be more or less than is necessary, or more or less than is just. But, taking into consideration the fact that the estimate given provides a larger revenue than we can now raise, which will enable us to dispense with all other taxes, and rely upon the Single Tax alone for our revenue, the suggested tax does not appear to exceed the limits of moderation or justice.

Exact figures for the purpose of ascertaining the true value of the land can only be obtained by assessment of the whole colony—a work entirely beyond the reach of individual effort, but which can and ought to be immediately undertaken by the Government.

---