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THE  
**NEW UTOPIA**

OR  
PROGRESS AND PROSPERITY.

AN EXPOSURE OF THE EVILS PRODUCED BY  
UNWISE LEGISLATION,

AND

A SUGGESTION OF THE MEANS WHEREBY THEY  
MAY BE REMEDIED.

BY  
ALEXANDER W. JOHNSTON, M.A.

ONE SHILLING.

SYDNEY:  
TURNER AND HENDERSON.

1890.



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THE NEW UTOPIA.

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"It is the duty of every one who regards a doctrine as true and important, to do what he can towards diffusing it, leaving the result to be what it may."

"Misery inevitably results from incongruity between constitution and conditions."

"Good and bad results cannot be accidental."

"The essential requirement to general happiness—that each shall enjoy all those means to happiness which his action, carried on without aggression, have brought him."

—Herbert Spencer.

THE NEW UTOPIA.

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TO AUSTRALIA,  
IN THE FERVENT HOPE  
OF PROMOTING  
HER NATIONAL WELFARE,  
THIS LITTLE BOOK  
IS SPECIALLY  
DEDICATED.

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## PREFACE.

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IN the following pages I have endeavoured to state plain truths in plain and simple language, avoiding abstract propositions and abstruse digressions, which would tend only to confuse the thoughts and weary the minds of my readers without adding anything essential to the opinions presented for their consideration. As far as possible, words are used in their most simple and ordinary application, and if a meaning other than the most general may seem to be attached to any particular term, the context must be accepted in explanation. With regard to the term "producer," for example, it is clear, though not expressly stated, that it is applied only to those to whom produce belongs. I am aware that many authorities reckon among producers the Labourers employed in productive work, but erroneously, as I think, because the produce of their labour does not belong to them; they may never even see it, and they have no responsibility of any kind in connection with it. If a farmer employs one man to plough his land, another to harrow it, and others to perform each successive operation until his crop is finally disposed of; and next year he employs only one man to do all the work, is that one man any more a producer than those who had each done a part of the work the previous year, but who manifestly produced nothing? If the crop should fail, the labourer loses nothing, nor does

PREFACE.

he gain in the contrary case. Wherefore, as far as he himself is concerned, he cannot possibly be a producer, although his labour is productive labour, bearing to the product the same relation as the capital and experience of his employer, that is, he is a *contributor to production*.

Hence the meaning I attach to the term "producer" is "the owner of the product of labour," whatever it may be, who pays all the expenses of production and all the taxes on the product.

The reader's attention is specially directed to the evils produced by bad legislation, and to the faults of our present policy, as exhibited in the evils resulting from it, such as poverty, disunion, strikes and so forth, and in its oppressive and ever ruinous treatment of that class of our population upon whose welfare that of the nation depends, with whose prosperity all the people prosper, with whose decline the people all must suffer; and in the next place, to the nature and effects of the remedy proposed; lastly, to the urgent need of reform, irresistibly impressed upon the mind by the terrible disasters and dangers *now impending* out of the threatening thunder cloud of "the Labour Troubles," which are shown to be created and sustained by the maleficent operation of a vicious and injurious system of legislation.

The evils produced by bad laws having been traced from effect back to cause, and again from cause to effect, I have next endeavoured to unfold a plan, which commends itself to my judgment as most simple, efficacious and just, whereby we may sweep away those bad laws and all their evil offspring, and replace them with a policy calculated to promote the welfare and happiness of a prosperous and contented people.

# THE NEW UTOPIA;

OR,

PROGRESS AND PROSPERITY.

CHAPTER I.

INTRODUCTION.

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IN "Looking Backward" Mr. Edward Bellamy has opened the eyes of the world to speculations about the grand possibilities that lie before us in the future. The picture he presents, however, though fascinating in every respect, is too finely drawn and too highly coloured to be received as a portrayal of reforms that are, as yet, within our reach. We must attain a much higher level of social, moral, and political development before the plane on which he elevates humanity will appear to lie within the bounds of possibility. For this reason, whilst viewing it with admiration and delight, we are compelled to acknowledge with a sigh that his picture is too good for us, as we are at present, to hope for its attainment. Our minds cannot frame any possible intermediate steps by which to climb so great a height, and though we cherish a fond memory of the glimpse of heavenly beauty we have seen in "Looking Backward," we sadly wish the author had shown us "the how and the why,"



that we might set to work on even a forlorn hope of realising for ourselves some at least of the beauties of his dream.

In the following pages an attempt is made to show how we may attain, not all that Mr. Bellamy has described, but a much nearer approach to his ideal than is practicable under any political system at present existing in the world. If we content ourselves with what is demonstrably within our reach we may perhaps elevate ourselves, step by step, to a plane from which the means of reaching even a better state than he has imagined for us may at length become apparent.

Mr. Henry George has indicated the lines of a reform which may serve for the first step upwards, but his great indignation against the wrongs, the poverty, and the suffering resulting from the abuse of a privilege our laws confer on all, has begotten in him a feeling that savours of animosity against landowners, who are innocent enough of any deliberate intent to wrong others by acquiring possession of land. Their doing so is in accordance with all our old ideas of right, and we ourselves make them landowners, by making the laws under which they not only *may*, but *must*, become landowners. It is therefore quite clear that no man is blameworthy for being a landowner, any more than Queen Victoria is to blame for being Queen of Great Britain and Empress of India, or Mr. Harrison for being President of the United States.

The landowner is guilty of no wrong who uses his land for its legitimate purpose, and expends his labour or capital in making it productive. He injures the rest of the community only when his land is not made to produce that of which it is capable; which is equivalent to withholding that product from those who stand in need of it. By not making this distinction, and by advocating "State resumption," Mr. George has needlessly aroused opposition to the "Single Tax," a remedy by which all the evils of land monopoly may be removed without interfering with the land tenure, or "repudiating State contracts," or attacking any landowner, whether he does or does not use his land.

But Mr. George's "Single Tax" is not a *single* tax in fact, even when all Custom House taxes are abolished, for there still remains the heaviest of all taxes, the most preventive of production, and therefore the most injurious to the welfare of a civilised people, *the charge for the carriage of goods and passengers by railway.*

There are besides a great number of other taxes to be got rid of before we reach the Single Tax, or move on toward the realisation of the beatific vision of Mr. Bellamy's "Looking Backward." By ridding ourselves first of the most injurious and obstructive taxes, namely, those on goods, and those on railway traffic, and next imposing a tax upon the annual value of land, we can most expeditiously attain a condition

which will render possible the abolition of all other taxes and many reforms which are at present impossible. When that condition has been attained the tax on land values will become the Single Tax in reality as well as in name, and we will have achieved the first great step towards a national purification which may yet upraise mankind to heights unscaled by Imagination's boldest flights.

To those who will be satisfied with nothing less than proof plain, absolute, and irrefutable, the Appendix to Chapter VI. will possess an attraction of its own. While the whole matter depended upon exactness of logical perception and ability to form a just and true estimate of consequences from given causes, there was always room for doubt; but when process of pure reasoning had brought out certain conclusions, it removes all doubt, and is the grandest confirmation of the truth of those conclusions to find them sustained in their integrity by an example previously unknown, and supported by testimony of a witness beyond suspicion, whose own opinions are to some extent opposed to those he involuntarily and unknowingly confirmed.

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## CHAPTER II.

### LOOKING AROUND.

THE object of the present treatise being to trace out some of the causes which prejudicially affect our condition as citizens of the freest and most highly favoured among nations, and to offer for consideration a means of removing them, it is needful first to examine our present social state, in order that the evil effects of bad laws may be clearly set in view, for the purpose of fixing the impression upon the minds of all who see them, of the fact that they are preventible evils, since they are the effects of causes over which we exercise the fullest control, and for which we are, therefore, responsible.

Looking around us, then, upon the community as a whole, we recognise the fact that the common good is not the main object of any individual, but that we are all striving for our own private advantage, not merely without regard for the general welfare, but even with a jealous eye for the prosperity of our neighbours as if it must be a necessary conclusion that their gain is our loss.

Not of individuals only is this true. It is a universal characteristic of our national as well as individual life, visible in our minutest social divisions, and extending between the narrowest and the widest limits. Thus

we see man envious of the prosperity of man, city of city, district of district, and colony of colony, all steadily ignoring the broad, self-evident truth that the prosperity of all includes that of each individual, and conversely the loss of an individual is equally the loss of the entire community to which he belongs. We nevertheless put our individual advantage in the first place, and oppose at least a passive resistance to the advantage of others. Consequently we retard progress of the whole community in seeking what we selfishly consider our private interests, failing to perceive that the prosperity of each must increase or decline with that of all, whether they be individuals or states, and that prosperity which includes the whole must possess the greatest stability. But, with a selfishness that can only be regarded as unnatural in face of a truth so palpable, we begrudge success to any state but our own, to any town but our own, to any individual but ourselves.

This unnatural selfishness is produced and fostered by bad laws, which teach us to ignore the unrighteousness of seeking an advantage for ourselves at the expense and to the injury of others.

It is therefore a preventible evil for which we are responsible.

The next fact that strikes us is the tendency of the people to congregate in towns, leaving vast areas of rich and fertile lands unoccupied or unused. From Tregarthen's "New South Wales, 1860 to 1890," page

7, we learn: "Sydney now contains one-third of the total number of inhabitants of New South Wales;" (381,000 out of 1,122,000). Why should they thus crowd together in squalor and discomfort, and in unhealthy localities? We can only discover the reason by examining the surrounding conditions. These crowds who form town populations are composed mainly of manufacturers, professional men, middlemen, clerks and labourers. Rural populations of those engaged in pastoral, agricultural and mining pursuits.

Of these, professional men, middlemen, clerks and labourers are consumers only, not producers of wealth.

Manufacturers, graziers, farmers and miners are the only producers of wealth. That is to say, the nation is indebted to them for all the wealth it owns, whether in money or in goods.

Hence it must follow that the congestion of population in towns and cities involves:—

1. The abandonment of rural occupations in favour of those proper to city life.
2. The diminution of the production of wealth.
3. Increased consumption of wealth.
4. The necessary impoverishment of a greater and greater number of persons in proportion to the encouragement offered to that congestion.

When, therefore, we observe a rapid increase in our urban population, and no corresponding increase in that of the country districts, we may be perfectly certain that the number of poor people, and the

intensity of their poverty, are increasing in the same disproportion.\*

This unnatural tendency, away from the healthy, happy, and productive country life to the over-crowded unhealthy, miserable and devouring city, is the result of bad laws which impose a monstrous burden of taxation upon the country districts.

We made those bad laws and are therefore responsible for all their evil consequences.

Looking around at the people and their occupations, we observe a reluctance to embark in new enterprises, a distrust of even the most alluring prospects involving the investment of capital, and indications of a feeling of insecurity affecting even the most prosperous and firmly-established industries. At the same time we are struck with the avidity displayed by speculators, as well as by steady, cautious investors, to secure the possession of land. If this eager desire to possess land were accompanied by a corresponding anxiety to make the greatest use of it, there would be no occasion to regard it with mistrust. But when we see everywhere land lying idle that might be turned to advantage in some way or other, but which its owners will not use, we have in that fact irrefutable evidence that the

\* Dean Langley at a recent meeting in Sydney gave expression to his opinion that already in Australia we have to deal with a "large and increasing pauper population—men and women living upon the charity of our people (often misplaced), or upon the funds subscribed for the relief of the sick, the infirm, or the aged."—*Australian Economist*, 21st July, 1890.

owners have in the mere possession a more absolute assurance of profit, with less risk of loss than any industrial occupation can offer them.

Underlying all this reluctance to engage in reproductive enterprises, and this eagerness to speculate in land, there must be some condition which produces actual insecurity in such occupations, and gives to the speculator's land an artificial value independent of its true productive worth.

This condition is to be found in the crushing taxes our bad laws impose on all kinds of industrial occupation that would give employment to a multitudinous rural population, that would add to the wealth and promote the prosperity of the whole community, and at the same time afford reproductive investments for capital in ways that would promote, instead of impeding, the country's progress, whilst giving the capitalist a return for his money. These taxes, which work all this injury to the country, leave the investor no profit at all commensurate with the risk and labour incurred in industrial occupations, and, in the absence of any tax upon land, together with the almost absolute certainty of a continued unearned increment in its value, offer every inducement for speculation in land, and drive capital away from industrial occupations. Thus they are discouraged, land is locked up from use through that discouragement, and capital is locked up in land for the sake of the unearned increment.

Under no circumstances could such a condition be conducive to our national welfare. On the contrary, it can only, and does injure us individually and collectively by impeding our progress and inflicting unnecessary and unmerited suffering. By it we are robbed and wronged and ground down, whether we regard it in its application to the whole British Empire, to Australia, to New South Wales, or to the single units composing their populations. The progress we have made in the face of this remorseless enemy cannot excuse the centuries of suffering it has caused, for that progress, achieved in spite of every discouragement, is, after all, but a slight indication of what might and could have been attained by a wise development of our magnificent natural resources.

When we realise the diabolical wickedness of this system, and the responsibility we incur by permitting its longer existence, we must also realise the necessity for its immediate destruction, for we made the bad laws by which it is enforced and upon us lies the duty of repealing them.

In another direction we find material for further strengthening our already formidable indictment against our laws, in the incessant acrimonious disputes between the two classes of employers and employed.

Enquiring into the origin of these quarrels, we find that there is very great difficulty in adjusting wages to work done. That matter is left to be arranged by

mutual agreement between the parties interested, and there is consequently a continual bickering between them, arising from the constant effort on the one side to reduce wages, on the other to raise them. Whenever matters reach a critical stage, a reduction is enforced by a "lock-out," or an increase by a "strike," both of which methods intensify the irritation and ill-feeling between wage-payers and wage-earners, and attain their objects only at a ruinous expense and through great sufferings. The true interest of both parties lies in securing the greatest possible production in return for the capital invested and the labour employed; and any cause which interferes to lessen the quantity or the value of the product, or to increase its cost, must involve loss to them and to the whole community.

The numerous labour-saving machines and other inventions and discoveries of modern times have materially lessened the cost of production, and should have left a wider margin to provide for increases of wages. To a certain extent labourers have gained in this way, and the average of comfort in their lives is now higher than ever it has been in times past. But this advance is much less, in comparison with the saving in cost of production, than might reasonably be expected. For one reason, there is always an outside fringe of workers, kept out of work by bad laws which discourage enterprise, who are ready to accept any wage that will give them bread. Driven

by hunger, they force themselves in at every opening, glad even of the poorest wages, in exchange for which they can give, as a matter of course, but poor work. In this way there is a constant tendency to lower wages and depreciate the quality while lessening the quantity of the product. Trades unions set themselves to prevent the employment of such men, whom they term "blacklegs," but if they succeed they do not improve the general average in the least, because they increase the misery of the "blacklegs." Any advantage gained by the unions is a loss, not to employers only, but to the entire people, and must in the end still further restrict and discourage enterprise, which is as much their life as that of the rest. When employers cannot yield to the unions, or when yielding means ruin, and the labourers still persist in enforcing their demands, only anarchy can result, and a certainty of worse conditions to follow it, for producers cannot be made to suffer without double suffering to all the rest of the community.

The mere existence of disputes between parties whose interests are so intimately allied condemns the system that produces them, that allows them to continue, to become more frequent, more bitter, more fraught with danger to the State\* yet makes no

\* LABOUR DIFFICULTY IN CHRISTCHURCH.—Boycotting Goods on the Railway.—Auckland, Monday.—The Maritime Council have ordered the railway employes to boycott all goods consigned to and from Messrs. Whitcombe and Tombs, Limited, printers, publishers, stationers, &c., of Christchurch, owing to a trade dispute. The

attempt to provide a remedy that will make them as impossible as they are unnecessary. But these bad results are the products of bad laws, and the makers of those laws are responsible for their own misdeeds.

Another peculiar feature that cannot fail to attract attention is that on a continent so vast, so wealthy, so empty, and so utterly undeveloped as Australia, there should be raised by the working classes so many objections to the introduction of immigrants from other countries.

With our most magnificent natural resources, as yet comparatively untouched, and more than sufficient to employ all the starving millions of the mother country, when there cannot be, for centuries to come, any danger of over-crowding, or any appreciable diminution of the quantity of work waiting for hands to do it, such objections would be most extraordinary and unaccountable had we not a guide to lead us to their very source in the laws that oppose so many obstacles to all kinds of industrial enterprise. These considered, it is not at all surprising that the working classes should object to new arrivals,† who would thrust them out of

Railway Commissioners and Union Steamship Company have both intimated that the law compels the carriage of anyone's goods. The secretary of the Railway Servants' Union to-day telegraphed to the Commissioners that the men were resolved to obey the injunction of the Council, and if any were suspended the Council would call out all hands and block the port of Lyttleton until they are re-instated.—*Daily Telegraph, Sydney, Aug. 5, 1890.*

† Sydney Depression.—A Warning to Immigrants.—London Sunday.—Mr. Shipton, the secretary of the London Trades Council,

employment in the few struggling enterprises we carry on, in spite of the opposition of our bad laws. It is not to be expected that, where our legislators have failed, a less cultivated intelligence should detect the difference between possible and permissible work—between a lacking of opportunity and a locking up of opportunity. But working men are prompt to perceive that "work is hard to get," and that the arrival of more hands would make it harder still, though they cannot tell why it should be so with a whole continent waiting for them to explore it. They feel the pinch of the ill-made shoes our clobbering legislators supply; but they try to hobble along, with a patience born of many vain attempts to have them mended, and only asking that they may not be made more severe.

Out of the reluctance to engage in reproductive industries there springs another evil, which it is important to recognise and set down to its right account. Profiting by his own experience of the treatment we accord to those engaged in such enterprises, no parent is willing that his sons should be trained to occupations from which he knows they can gain little and may lose much. He, therefore, very prudently brings them up to be lawyers or bank

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has published a communication which he has received from the Sydney Trades and Labour Council, in which intending immigrants are warned against New South Wales, owing to the great depression there and the large numbers of workmen out of employment.—*Daily Telegraph*, Sydney, 4th August, 1890.

clerks, the height of his ambition being reached when they are all safe in snug "Government billets." In other words, instead of educating producers, to add to the sum of the world's wealth and happiness, he is compelled to make them all consumers—drones in the busy hive, living on the honey accumulated by the industry of others. Thus the same bad laws that rob the working bees and drive them from their work, multiply the number of drones, lessen the supply of honey by preventing the cultivation of honey-bearing flowers, and so reduce the allowance all round that some must go without.

By way of encouraging the over-burdened agricultural and mining producers to think that after all they are not such despised outcasts as their ill-usage would argue, we have placed them under the wing of a special Government "Department of Agriculture," and a "Department of Mines." The function of these bodies is to try to alleviate, by more bad laws, the evils bad laws have already produced. Our legislators seem to suppose, doubtless encouraged thereto by their marvellous failures in the past, that nothing can thrive unless they stand by to regulate everything as a sort of overseers who, understanding nothing, must yet meddle with everything, whilst their own experience should tell them they are only "making bad worse."

We have now examined a number of evils that oppress us, and traced them all to their source in our own bad laws. We are, therefore, justified in assuming

that all our troubles arise from the same source. For the sake of example, let any other glaring evil be taken—larrikinism, crime, poverty, drunkenness, the social evil, or any other. We will find that, if not the direct product of our bad laws, it is at least enormously aggravated by them; and, speaking generally, if in any case it is found that any unnatural, unnecessary, or unexpected evil result mars the working of our institutions, we need not hesitate to ascribe it to the operation of laws we ourselves have made. Nor need we remain doubtful as to our responsibility in such cases, or to the plain duty that devolves upon us. Since the evil condition into which we have fallen is the unforeseen and unintentional result of measures intended to be beneficial, the guilt of past wrongs may be forgiven us if now we set ourselves to remove at once all the causes of public or private injury we have established.

## CHAPTER III.

## LOOKING BACKWARD.

THERE cannot possibly be any reasonable doubt that the great multitude of evils that form so dark a blot on our civilisation, and contrast so strangely with our professed Christianity, originate in the laws we ourselves have made. The mere assertion of that truth, however, will not carry conviction to minds inclined to oppose it. For their sake it is needful to look back to their beginning, and follow up the causes of these evils from their origin to their effects.

Looking backward, then, through the almost forgotten pages of our history, we find that many of our present laws are founded on the ancient Roman system. Upon this ours has gradually been built up, as the years rolled by, modifying or amalgamating with the customs of the past and its traditions, until now we have a mass of unintelligible, obsolete, and contradictory statutes, some of which are founded on the legislation of an alien and barbarous race; others have arisen out of the amorphous methods of rough and ready justice practised by our forefathers; while others acknowledge a no more illustrious ancestry than the simple customs and traditions of a bygone age. These may have



been suitable enough to the requirements of primitive peoples; but our circumstances have changed, and have become complicated into almost inextricable confusion, because we have adopted the bad, and rejected or forgotten the good provisions they contained.\*

The lawmakers to whom we are indebted for our present system, laid down a pernicious fundamental principle to begin with, in adopting, as the base of all their legislation, the maxim of some long-forgotten heathen philosopher, that—"The highest aim of the true statesman is to secure the greatest good to the greatest number." This has come down through the ages to our own legislators, who have accepted it as a sound and solid truth, fit to sustain the shocks of time and stand firm for ever. By it they test every proposition, on it they have rested every measure they have passed, and so have raised a pretentious structure, of which they speak as "the Majesty of the Law," and assert, with equal self-complacency, "the Law is the perfection of reason." As if it were possible that every man should at all times be able to judge correctly what measures are best calculated to promote "the greatest good of the greatest number," and also to know by intuition what measures their wisdom has made into law, what they have changed and repealed, and what actions are required or forbidden by conflicting and contradictory statutes, they assume that "Every man should know the Law,"

holding none excused for mere ignorance, but punishing all offenders with rigid severity.

Yet it is very well known that the judges, whose *duty* it is to know and administer the Law, are often unable to enlighten us on these points.

They have thus raised up in untrained minds what they call "a wholesome fear of the Law," composed partly of terror inspired by its relentless power, and partly of dread of its blind stupidity; but containing no particle of reverence for its goodness, for which there are good and sufficient reasons.

Lawmakers and lawyers alike pay themselves a most undeserved compliment, and give themselves credit for strict justice and impartiality when they assert that "the Law is no respecter of persons," and that "in the eye of the Law all men are equal." Yet the very fundamental maxim on which the Law stands indicates, while it ignores the injury inflicted upon some, and the unjust preference shown to others in order that the good of "the greatest number" may be secured. And if all men were equal before it, then the right of one would be maintained as forcibly as the right of a multitude, and the right of a poor man as vigorously as that of a rich man, who is able to pay the extortionate demands of the Law's administrators.

The very root of all our legislation is thus proved to be rotten, and the fruit it bears sustains its character. For this our legislators rejected the grand fundamental maxim given us by the Saviour himself,

"Thou shalt love thy neighbour as thyself," and also the divine law based upon that maxim "Do unto others as ye would that they should do unto you."

Setting aside, as of no value to them, these Christian precepts that would manifestly promote the good of *all* and injure *none*, they have built on the heathen sage's maxim as the surer and safer foundation. We continue to do the same, as if Law and Christianity could have no aim in common, but must always oppose and nullify each other.

With this idea understood, but not expressed, we have rejected the wise and just foundation, and have raised an injurious system on a pernicious fallacy, impiously laying the evil results of our own folly to the charge of the Creator of the universe.

The evil principle we have thus taken to our bosoms taints not our legislation only, but our modes of thought and action, and affects our inner lives to so great an extent that we have become saturated with its vicious selfishness, regarding with complacency whatever brings profit to ourselves; with indifference the suffering it may cause to others.

Hence it follows that measures, intended to confer a material benefit on a majority, while confessedly injuring a minority of the people, *must* always work a moral injury to the whole—to the benefited majority by inculcating a callous selfishness which esteems their own gain as the reward of superior merit, and the others' loss as a well-deserved punishment—to the

injured minority by cultivating feelings of envy and discontent arising out of their perception of the unjust distribution of benefits, and the unmerited injuries inflicted upon themselves. Not always able to trace these to their true source, they soon begin to think themselves the sport of an unfeeling Providence punishing them for they know not what. So the evil spreads in ever-widening circles, sapping the very foundations of their faith in a beneficent Creator and Ruler of the universe, and leaving them to fight the battles of life without a true principle to guide them, or a hope to brighten their lot.

Then begins to be felt the reaction of this moral injury as it affects the material welfare of the whole community, retarding their progress, and punishing them for their rejection of the truth with an ever-increasing amount of vice, crime and grinding poverty, and the thousand other evils that disgrace and degrade us.

Thus, looking backward to the foundation of our system, and taking a broad view of the condition of things resting on that foundation, we see enough to uphold the contention that we are responsible for all the evils that make the misery of our lives.

If we look more closely and examine the circumstances under which these ills affect us, we can scarcely discover any that are not ultimately traceable to our deliberate encouragement of the growth of evil by basing our legislation on a false and vicious

heathen maxim, as full of curses in experience as of blessing in promise, although we had the choice of cultivating every good principle by acting upon the precepts of the Saviour.

At the present time the evil most prominent in all the most civilised nations of the world is the dispute incessantly raging between employers and employed, than which, perhaps, no secondary cause is more fruitful of harm to the moral and material welfare of the nations involved.

Let us select this for examination, and ask ourselves, "What is the cause of this fearful national scourge?"

It is frequently spoken of as "the dispute between Capital and Labour," but, since Capital is merely a product of Labour, and represents nothing but Labour, there can no more be a dispute between them than there can be a battle between a man and his shadow. A large Capital represents the concentrated Labour of many hands, and when gathered into the possession of one individual, it gives to him the same power as would the control of the hands which produced it. If he make no attempt to exercise that power, it is obvious that his Capital can never in any way come into collision with Labour. Whence it is clear that disputes can only arise when Capital is being used, and they come, not out of any relation between Capital and Labour, but out of that about which they are employed.

That this is the point at which the conflict begins

will become apparent if we take, for example, a coal mine at work.

If the mine belongs to the labourers who work it, and the Capital to others, the whole product, after providing for the repayment of the Capital, would belong to Labour, and there could be no dispute.

If the ownership rests with the owner of the Capital, it is that fact, and not the possession of Capital, whether £1 or £1,000,000, which gives rise to disputes.

If the owner of the mine borrowed the Capital to pay for and work it, no dispute is possible between that Capital and the Labour employed, for the real owner of the Capital stands altogether clear of it, whilst the owner of the mine controls both the Capital and the Labour. If, then, a dispute arise it can only be between him, as owner of the mine, and the Labour he employs.

Hence we may clearly infer that in all cases the quarrel lies between Labour and the owner of the opportunity for employing Labour, whether mine, dock, factory, or any other thing about which Labour may be employed. Capital, great or small, has no part in the origin of the dispute, though it gives more or less support to its owner when a dispute has arisen; it also confers the power of securing possession of opportunities for the profitable employment of Labour. Until such an opportunity has been secured, no dispute can possibly arise.

From this it is perfectly clear that the origin of

disputes must lie in some fact or condition connected with the possession of that about which Labour is employed, and the discovery of that fact or condition will at once expose the evil principle which causes all the trouble. Let us first try to find an answer to the question, "Why do men strike?"

Generally the ostensible reason is that they want higher wages, which employers either cannot or will not concede. If labourers, dissatisfied with their wages, could readily find other employment, or occupy themselves on the land, they would not be compelled to strike, for they would naturally prefer such a change to the misery and loss incurred by a strike. But the deadweight of taxation we impose on them crushes the life out of so many enterprises, and prevents the birth of so many more, that other employment is seldom to be found; and the land is not open except under conditions that forbid its use to those who have no capital. Thus restricted, the labourer must either accept the offered wage or strike. If he accept, he is very soon compelled to accept a lower wage, and still a lower, until he faces the alternative of "work and semi-starvation, without hope of improvement," or "strike and semi-starvation, sweetened by hope." By repeated reductions of wages he is compelled to strike; but he would prefer other work if he could find it, or content himself with making his own living out of the land if he were not prevented from doing so.

If now we ask, "Why are wages reduced?" the reason given is that profits are so small that expenses must be cut down or work stopped. The owner of the opportunity for the profitable employment of Labour is, therefore, in much the same dilemma as the labourer, and reduces wages not out of pure greed for higher profits, but because he sees profit rapidly disappearing and loss coming nearer. Having the power through his ownership to decide between reducing wages and stopping work, he naturally chooses the former as the lesser evil. So it goes on until either a strike or a lock-out can no longer be avoided.

If we inquire further, "What swallows up all the profits?" we learn that taxes take so much, freight so much, interest so much, and expenses so much, leaving but little, sometimes nothing, to provide for extra wages.

The case may then be summed up in this way: Along with the ownership of an opportunity for the profitable employment of Labour is conferred the power of reducing wages, which power the owner is compelled to exercise repeatedly until either a strike or a lock-out occurs, and his valuable opportunity is rendered valueless to him, to his labourers and to the State; and in addition there is an all round loss from so many idle consumers being thrown, as they must be, upon the already over-burdened shoulders of the producers.

We next seek an answer to the question, "How is the owner compelled to reduce wages?" and the reply is that the owner obtains his title of possession by virtue of the provisions of one or other of several Acts of Parliament, whose operation is to invite private persons to acquire possession of land from the State. The land constitutes the base of every industrial enterprise, but if the owner should make any attempt to use his land for any such purpose the State immediately comes down upon him with other Acts of Parliament imposing taxes, duties, tolls, fees, rates, and assessments of various kinds, which fall wholly upon production, because without production there would obviously be no means of paying them. The operation of these tax-imposing Acts is to punish those private persons who accept the invitation of the State to buy land, if they attempt to make their land productive. If they persist in the attempt taxes are heaped upon them until all profit is swallowed up, and the unfortunate owner is compelled either to reduce the wages of his labourers or to abandon his enterprise. If he reduces wages his workmen strike, and the same end is attained.

The people have always been keenly alive to the fact that these laws were harassing them in this atrocious way, and have insisted upon the repeal of this or the alteration of that law which seemed to them to be the cause of injury. But though these laws have been altered and amended over and over again, they

still continue to punish the people, and the people demand more amendments still, although of the original Acts but little now remains beyond the fundamental maxim upon which they were constructed. That fundamental maxim is the heathen sage's legacy we have preferred to our own Christian precepts.

Unearthed at last, "the greatest good of the greatest number" is thus clearly exposed as the evil principle underlying all our legislation, tainting and corrupting every proposition based upon its delusive promises, and drawing nothing but mischief from measures honestly intended by their framers to do to some at least a small amount of good.

By process of exhaustion we have thus reduced these laws to their last persistent features, their evil basis and their evil effects, and are, therefore, justified in claiming that in this heathen maxim we have discovered the *Fons et origo malorum*, the source of all the ills that curse the lot of poor, blind, struggling humanity. This is "the condition attached to the possession of land—that about which Labour is employed," in which lies the origin of disputes between employers and their workmen.

To this same evil principle all our other ills are as clearly traceable as this of the "Labour Question," but to follow it through all its intricacies and contortions would be a gigantic task. When once the true tendency of its malignant influence is under-

stood, the mind can readily grasp the links connecting it with any and all of its evil fruits.

Thus the indictment against the Law is proven ; it is found guilty, and condemned by its own ill-doing.

## CHAPTER IV.

### THE BURDEN OF TAXATION.

OUR system of taxation, based upon the principle of securing "the greatest good to the greatest number," has been devised merely for the purpose of providing revenue to cover the cost of administering the government of the country. For this purpose, taxes are levied on imported goods, on Railway, Postal, and Telegraphic services, on commercial transactions, on various businesses, on sheep, and even on the administration of justice. From all sources, the revenue of New South Wales for the year 1889, was a little over £9,000,000 sterling; or roughly about £9 per head of the population. Taking an average in this way would, however, prove very deceptive, and would conceal all the mischievous workings of the system. When the actual incidence of the taxes is sought, and the question is asked "who pays?" no direct reply is given; but an examination of the figures provided by the Government Statistician discloses some astounding facts, which place beyond doubt the restrictive and punitive effects of taxation upon productive enterprise. We find there that those engaged in the pastoral industry alone are made to pay about fifty times the average amount of taxes. The figures given in "Coghlan's Wealth and

Progress of New South Wales," 1890, page 225, show that there are engaged in the pastoral industry the following persons:—

Holding Pastoral Leases, 1,613; who pay rent,	£526,447
„ Occupation Licenses, 1,495; „ „	£252,121
Total, 3,108	£778,568

In addition to this, they pay "one-third of the earnings of the goods traffic of the railways of the colony" (page 431). The total earnings of the railways for 1888 were £1,748,334, one-third of which amounts to £500,000 nearly. Adding this to the sum paid for rent, we have £1,278,568 as the contribution of 3,108 persons for one year, being an average of over £400 per annum for each person. Each of these pays further taxes for passenger traffic, Custom House and other items, an additional sum which cannot be allotted with the same accuracy. Neglecting this, the sum given above is sufficient to fill us with amazement, when we consider that this plunder is extorted from those who produce about 75 per cent. of the total exports of the colony. The average of £9 per head of the population looks very insignificant beside this enormous impost; but it proves that "the greatest number" must pay an average of very much less than £9 per head, and it also proves that in the matter of taxation, our Law secures *their* "greatest good" at the expense of those who do most to promote the progress of the colony.

As far as the pastoral industry is concerned, it is thus made plain that our system levies on productive enterprise a tax so heavy, that it cannot but exercise a most discouraging effect.

With regard to agriculture, no figures are given by which the incidence of taxation upon that industry may be shown, but a tolerably accurate general conclusion may be arrived at, and the amount a small farmer is compelled to pay, may be gathered from the following example. Let it be supposed that he has secured a farm of 50 acres, valued at £50 per annum, in the district of Singleton, 147 miles from Sydney, where he buys the goods he requires to start with, and sends them to Singleton by Railway. For doing so much, he will have to pay a tax of £90 in addition to the cost of the goods, as shown by the following statement:—

GOODS.	COST.		DUTY.		FREIGHT.	
	£	s. d.	£	s. d.	£	s. d.
Timber for Buildings ...	75	0 0	11	5 0	15	0 0
Doors and Sashes... ..	8	0 0	1	4 0	2	2 2
Galvanised Iron ... ..	40	0 0	4	0 0	4	16 10
Furniture ... ..	50	0 0	Nil.		6	6 6
Sundries... ..	20	0 0	0	5 0	1	0 0
Paints, etc. ... ..	5	10 0	0	12 6	0	10 0
Galvanised Tank ... ..	7	0 0	Nil.		3	0 10
Fencing Wire ... ..	20	0 0	2	0 0	4	16 10
Machinery and Tools ...	100	0 0	Nil.		7	10 0
Tea ... ..	3	0 0	0	12 6	0	3 0
Sugar ... ..	12	10 0	3	6 8	1	10 1
Flour ... ..	9	0 0	Nil.		0	13 3

GOODS.	COST.		DUTY.		FREIGHT.	
	£	s. d.	£	s. d.	£	s. d.
Tobacco ... ..	7	10 0	7	10 0	0	3 0
Whisky ... ..	1	12 0	1	12 0	0	3 0
Fruit Trees ... ..	20	0 0	Nil.		0	12 0
Seed Wheat ... ..	2	10 0	"		0	3 0
" Maize ... ..	0	12 0	"		0	3 9
" Lucerne ... ..	7	0 0	"		0	3 0
" Potatoes ... ..	8	0 0	"		1	6 6
Cart ... ..	10	0 0	"		2	9 6
Horses (2) ... ..	40	0 0	"		3	14 6
Bags (1,000) ... ..	25	0 0	"		1	4 7
	<u>£472</u>	<u>4 0</u>	<u>£32</u>	<u>7 8</u>	<u>£57</u>	<u>12 4</u>

## TAXATION.

Custom-house Duties ... ..	£32	7 8
Railway Freight ... ..	57	12 4
Total ... ..	<u>£90</u>	<u>0 0</u>

From this, it may be seen that the intending farmer, for merely proposing to produce, must pay to the public revenue a tax of £90, before we will allow him to produce anything at all. The Law says to him, "You are fined £90 for wishing to increase the wealth of the country. If you will abandon your intention and remain idle, no further punishment will be inflicted upon you. But if you persist, you will be fined more heavily still, the more wealth you produce. You will have the satisfaction of knowing that the fines you pay tend 'to secure the greatest good to the greatest number' by saving them from the necessity of contributing to the revenue."

The deterrent effect of this tax must be clear enough, but to remove any doubt upon the subject, let us suppose that a governmental tax of £90 is levied upon every young man who intends to become a lawyer, and that it must be paid before he takes the first step in that direction. Will any contend that such a tax will not prevent many young men from becoming lawyers? May it not be considered the natural result of imposing taxes on productive enterprise that there should be such a rush of stalwart manhood into the ranks of the "Devil's Brigade," upon which there is no tax?

But suppose again that our intending farmer is an obstinate man, and is determined to be a producer in spite of the Law. Having paid his £90 prohibition tax, and so made things comfortable for "the greatest number," he works industriously at his farm, until he has ten acres each of wheat, maize, lucerne, potatoes, and fruit trees in full production. He gathers in his harvest, and sends it off by railway to Sydney for sale. The result may be figured up as follows:—

CROP.	PRODUCE.	VALUE.	FREIGHT.
Wheat ...	200 bushels	£45 0 0	£3 12 10
Maize ...	300 "	60 0 0	5 9 3
Lucerne ...	30 tons	120 0 0	45 4 2
Potatoes ...	50 "	150 0 0	33 2 6
Fruit ...	500 cases	125 0 0	54 13 0
		<u>£500 0 0</u>	<u>£142 1 9</u>



It is thus apparent that his contribution to the revenue, out of his total production of £500, reaches the respectable sum of £142 1s. 9d. for the benefit of "the greatest number." It must not be forgotten that this is the *annual* tax on this 50 acre farm, increased or diminished by good or bad seasons; but equally oppressive and iniquitous in any case. In addition to this "crusher," he must pay freight and taxes on all he consumes—postage, telegrams, stamp duty, railway fares, and so forth; so that the full amount of his annual tax cannot be less than £150. In fact, his little 50 acre farm is made to pay taxes for himself and fifteen or sixteen others, who pay nothing because they belong to "the greatest number," for whose benefit the Law restricts and punishes agricultural enterprise.

With regard to the mining industry, exact facts and figures are not available to show the average amount of taxation falling upon each individual who undertakes the responsibility of engaging therein. Taking into consideration all the items of which it is composed, to set it down at £100 will not appear too high a figure. This, of course, is only a guess; but it will serve for the present, as at least an approximation to the true amount. Thus it will now be clear to all that the three great productive industries of New South Wales are made to bear much more than their share of taxation, and, together with the manufacturers, may be said to pay for all the rest of the population. And

so it must always be under our system, that producers pay everything; consumers nothing. Wherefore to tax producers to death, would be to kill off consumers as well. To this fact, producers are indebted for so much mercy as is shown them by our laws in checking taxation just a little short of the point at which production would become impossible. Hitherto our policy with regard to them has evidently been restrictive almost to prohibition, has been as short-sighted as it is unjust, is calculated to impede the progress of the whole community, and therefore inflicts injury upon "the greatest number," whose advantage it was supposed to secure. For if one producer can maintain 100 consumers, two would keep them in comfort, three would give them abundance of everything, and four would provide them with every luxury of life.

Hence to encourage production is a wiser policy than ours, even if we still continue to seek only the good of "the greatest number." To back up all the obstructions we heap in the path of progress, our system exercises punitive effects that are most disastrous to our welfare. Its influence is irresistibly destructive, because the crushing burdens we put on them compel the abandonment of enterprises set on foot in spite of all restrictive or prohibitive taxation; enterprises in which much capital is embarked, and much labour employed, whose abandonment involves a treble loss. 1. Loss of the Capital. 2. Loss of the

wealth that Capital and Labour would have produced.

3. Loss through adding to the numbers of those already made idle by the action of the restrictive and prohibitive influences a constant reinforcement from the ranks of those whose employment is taken from them by the destructive influence. This threefold loss is so much the worse for the country, that it adds to the number of consumers, who have to be maintained by a smaller number of producers. For if 500 producers employ 5,000 labourers and maintain 5,000 consumers, and we reduce the number of producers to 250, we thus add 2,750 to the number of idle consumers, and each producer has to maintain 31 consumers instead of 10, or three times as many as before, while each consumer will have only one-third of his former share, because there are now 7,750 to be maintained by only 250 producers. The effects of the continual repetition of this process can only be an increasing aggravation of the people's suffering and of their discontent and irritation. That the process must be repeated and its evil effects increased continually is plainly to be seen in the fact that the taxation which causes it all is continually increasing. Thus the average taxation per head of the population for the years 1860, 1870, 1880, and 1889 was £3 17s., £4 5s. 9d., £6 15s. 5d., and £8 4s. 2d. respectively.\* It is plain then that we are rapidly tending toward the consummation of that dire calamity, already

\* Tregarthen, New South Wales, 1860 to 1889, p. 16.

looming large on the horizon of possible events, a universal rebellion against the existing order of things that will unite in one common destruction the system that produces these evils and the grandeur that has been attained in spite of it.

Because the volcano has not yet reached the point of active eruption and the earthquake has not yet overthrown and destroyed us, there are many who urge that there is no danger—that no change is needed—that our present system is good enough to last a long time yet—that the impeachment of it is based on a fallacy—that the proposed New System is the dream of a visionary enthusiast—and so on. But when we know how great is the tension in other countries, and how the explosion draws nearer and nearer day by day, when we see how imminent is the danger even in England—shall *we* go on quietly along the road that we know must in the end bring us into the same condition? Delay means danger, with destruction and death following close at its heels. Action may avert it—inaction makes it a terrible certainty.

To the statesmen and politicians who rule Australia, to whom is committed the trust of providing for her present and future welfare, these considerations should seem sufficiently powerful to induce them to devote a little thought to their responsibility with regard to them.

The people themselves, instead of following their blind leaders, should grasp their destiny with a firm

hand, and, seeing how they have been beguiled into by-paths of folly for the benefit of this party or that, and to their own infinite loss and injury, should demand an immediate return to the ways of wisdom, in which alone can national safety be found.

The graziers, the farmers, the miners, and the manufacturers should awake to the momentous value of a reform that will no longer permit them to be made the slaves and tax-payers for those schemers who avoid the payment of their due share by saddling it upon them; that will also avert the threatening calamity that else will surely overwhelm us.

The labourers—the “working classes”—who have formed themselves into the mightiest combination for their common advantage that the world has ever seen, should now see where their true advantage lies. It is not in violence or destruction, or in putting an end to that productive industry upon which their own and their children's lives depend. It lies in simply returning to the path of wisdom and justice, by insisting that our rulers shall abandon their present heathen policy, together with the heathen maxim upon which it rests, and adopt a new and better system that will take for its aim “the good of all,” and work in harmony with the precepts of the Son of God.

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## CHAPTER V.

### THE OLD SYSTEM AND THE NEW

IN framing a scheme of taxation the first question to be considered should be, “What things ought to be taxed?” and the next, “What things ought not to be taxed?”

The founders of the Old System, seeking only the readiest means of raising revenue, and caring little, so long as it was successful, how their method might affect the national welfare, gave but little thought to any questions of this kind. Acting upon the principle of “the greatest good to the greatest number,” they accordingly invented a system which produces nothing but calamity. Its tendency is now, as it has ever been, to destroy good and encourage evil. Without any recognised effort on our part to cultivate it—even in spite of all our efforts to eradicate it—evil seems to spring up spontaneously on all sides. On the other hand nothing good will thrive without the most assiduous care and attention. Even the laws we design to secure some good seem to possess an innate diabolic power of frustrating our efforts to do good, and turning them into unintentional and unexpected evils, until it becomes a question whether it is more difficult to produce good or prevent evil effects from our laws. Their perversity, their apparent aversion to

good and inclination to evil, results from the neglect of our law-makers to consider "What things ought, or ought not, to be taxed, and the effects of taxes on the things taxed," whereby we have been led into the grievous error of taxing what we ought not, and allowing the things that ought to be taxed to go free. Every tax is, in its nature, a burden, and cannot but act accordingly and produce effects in agreement with its nature. To heap burdens on the good things we require is, therefore, a mistaken policy, whose only result can be to lessen the quantity of those good things, and to lessen also the consumption of them. A decrease in production means less employment of Labour and Capital, less wages, more poverty, strikes, and miseries that cannot be described. And since good things are produced by the exercise of good qualities, such as industry, energy, enterprise, intelligence, and so forth, a tax upon their product is a discouragement of those good qualities. To allow all the bad qualities of man's nature to escape taxation is, therefore, to encourage those bad qualities. It follows, then, that by discouraging good and encouraging evil, and by basing our laws upon an injurious principle which denies the right of every individual to equal consideration from them, those laws must work in opposition to any good we wish to secure, and not only prevent us attaining that good, but substitute for it some unforeseen, but none the less absolute, evil.

Hence it is manifest that if we wish to overcome this perverse tendency in our laws, we must go down to their foundation, discard the evil principle we have built upon, and adopt instead the principles and precepts of Christianity.

If we refuse to do this, and continue to make Law independent of and opposed to Religion, it must follow that both Law and Religion will be more and more despised—the first for its injustice, its cruelty, its stupidity, and its immorality—the second, because it is disregarded by the law which rules our daily lives, and with which we are brought, of necessity, into the most intimate association, and which, moreover, empowers men to act towards each other in opposition to right and justice, and in defiance of all the precepts of religion. While thus opposed to Religion, Law cannot possibly achieve any good, but must continue to work evil to humanity so long as it is allowed to maintain its hostility to the fountain of all good.

When asked "Which is the greatest commandment?" our Saviour replied, "Thou shalt love the Lord thy God with all thy heart, with all thy soul, with all thy mind, and with all thy strength. This is the first and great commandment, and the second is like unto it, Thou shalt love thy neighbour as thyself." Both of these Divine laws we have cast out of our system; and only by going back to them can we hope to combat successfully against the evil consequences of our sin and folly.

But how is it to be done? Can we by any course of legislative action reverse the destruction of good and the production of evil, the necessary results of our present system?

We can. It has already been shown that laws imposing taxes upon good things must necessarily discourage good and encourage evil. Whence it follows as a necessary corollary that laws imposing taxes upon evil must discourage evil and encourage good.

But since it is impossible to build up a good system on a bad foundation, we must first substitute the Divine precept for the heathen maxim, and set up "the good of all" as the end we aim at, so making *our* law acknowledge and enforce the Divine Law.

Guided by this new principle, we next proceed to enact that no good thing, but evil only, shall be taxed. And since we have cultivated selfishness as a national characteristic, in direct opposition to the law which bids us love our neighbour as ourselves, we must put a tax on selfishness first of all; and since taxes upon good things fall upon the good qualities that produce them, we must, therefore, impose taxes upon the evil qualities that produce evil and prevent the attainment of any good. Along with selfishness, then, we will tax sloth, stupidity, ignorance, cruelty, intemperance, and all the vicious qualities that now flourish so abundantly.

"But what method of taxation can be devised that will fall only upon those evil qualities?"

As already shown, under our present system, taxes imposed directly upon goods fall indirectly and ultimately upon the good qualities which produce them, we must tax our evil qualities indirectly also. For if a tax were imposed directly upon them no man would acknowledge the possession of them, and a loss of revenue would result.

But we can impose a tax that will unerringly and inevitably find them out and punish them wherever they exist, that will at the same time stimulate and encourage every good quality, and will, moreover, prove a remunerative source of revenue in direct proportion to the encouragement it gives to good and the punishment it inflicts upon evil.

"If taxes under our present system have in their nature a tendency to destroy good and to foster evil, what tax under the new system can have, in its nature, the contrary tendency to punish evil and cherish good?"

"A tax upon the annual value of the land."

"But why make the land pay everything? Surely that is most unjust."

Under the present system the land pays for everything. But only *some* of the land—the rest pays nothing. Land that is used for carrying on any productive enterprise, and so adds to the wealth of the community, pays an enormous tax, and a tax that increases in proportion to the benefit derived by the community. The more wheat the farmer grows, the

more wool the grazier produces, the more coal the miner raises from the bowels of the earth, the more goods the manufacturer makes, the greater the tax he must pay. In each case, the product being drawn from the land, it is obvious that the tax must be drawn from the land also; but land that is not used at all, or used for the sole benefit of the owner, pays no tax at all; and the community derives no benefit whatever from it. It is, in fact, capable of demonstration, if proof of so palpable a truth should be demanded, that producers pay taxes for non-producers; or, in other words, productive land pays taxes for non-productive land; or, still more forcibly, land so used that the whole community is benefited thereby is made to pay taxes that should be paid by land that is used for the sole benefit of the owner. For example, A, who lives abroad, owns land in Sydney or in the country, worth many thousands a year, but pays to the public revenue not one farthing; while B, who owns and cultivates a 50 acre farm worth £50 a year far away in the bush, must pay to the revenue £150 a year.

As before explained, the necessary result of this unjust distribution of taxation is to discourage enterprise that is beneficial to the whole community, and to encourage speculation that is advantageous to individuals only. Yet directly it is proposed to tax the land, the cry is raised, "but that will put a stop to speculation in land!" as if speculation in land benefited anybody but the speculator. But it will not

prevent *investment* in land to be used for productive purposes which will benefit the whole community *as well as the investor*. But our present system discourages productive investment and holds out every inducement for speculation, with a want of discrimination and discernment that results from a perverted, or rather inverted, apprehension of the respective value of each to the community.

Since the land pays taxes for everybody under the present system, there cannot possibly be any valid reason why it should not pay under the New System. In fact if a tax is levied at all, the land *must* pay it, simply because the means of doing so cannot be derived from any other source.

"But if the land is still to pay taxes as before, where is the difference between the Old System and the New?"

The land will still pay taxes *but not as before*.

It is a customary plan to hamper horses with a heavy clog attached, by means of a rope, to a headstall. This clog, dragging along the ground, prevents the animals from moving either far or fast.

Imagine now a number of unarmed men riding horses so hampered, hunted by a pack of fierce insatiable wolves called Want, Poverty, Hunger, Starvation, Misery, Ignorance, Vice, Crime, Cruelty, and so on.

That is the picture of the Old System.

Imagine now the same weights, in the shape of saddles, transferred to the horses' backs with the

additional burden of men armed with the sword of Justice and the spear of Truth. How quickly the tables are turned! The hunted now become hunters and no longer seek to escape, but turn and slay their fierce enemies.

That is a picture of the New System.

It only remains to adjust the tax under Laws based upon Truth, and built up in Justice, so that *all* land shall contribute fairly and equitably to the public revenue.

This difference in the adjustment of the tax will make as great a difference in our relation to the evils of life as the transfer of weights in the pictures we have imagined.

“But how is the change to be effected?”

Most easily and equitably, without violence, revolution, or disturbance of any kind; by simply abolishing the present system of taxation and levying a rate of so much per cent. on the annual value of all land, in the same *way* as municipal rates are now levied, but on a different *principle*. That difference of principle lies in this particular feature, that the Law will take no cognisance of any improvements whatever, but will estimate the amount of the tax from the site value of the land alone; and to simplify matters and render evasion of the tax impossible, the Law will know no man but the owner in connection with any land, and will look to him only for payment of the tax, for which the land itself will be security.

Lawyers who regard their own private advantage more than the public good will, of course, oppose this reform to the last, because disputes about the ownership of land will thus become almost impossible.

In its incidence a tax on the annual value of land (the “Single Tax” as it is called by the followers of Henry George—a name which may as well be adopted here for the sake of its convenience and expressiveness) becomes a factor of immense benefit to the whole community. Though levied directly upon the landowner, it does not fall upon him in the same injurious manner as the present taxes do. It is imposed in the most convenient manner so as to be least burdensome and incommodious, and so that it does not harass and annoy him at every step. And since the whole population must eat and be clothed, and live in houses, and the land alone can provide these things for their use, they must all assist the landowner who supplies them, in proportion to their use of them. That all others must help the landowner to pay his tax is evident from the fact that he can obtain the means of paying it only by supplying them with the product of his land, or by allowing them to use or occupy his land as tenants paying rent. It is thus so widely distributed that the tax ceases to be oppressive to all, except the selfish, idle, extravagant, and vicious, upon whom it presses more and more heavily the more they are vicious, slothful, and self-indulgent, whilst it becomes easier to the industrious

in proportion to the good qualities they exercise. Hence it is clear that its influence is altogether beneficent, showing a tendency to promote and reward the exercise of good qualities and to punish evil. It gives the landowner every encouragement to make his land productive to its utmost capacity, and is an ever-present stimulus to keep him constantly awake to the advantage of increasing and improving his product.

And since he can produce nothing without Labour, it follows there must be a continual opening up of new avenues for the employment of Labour and Capital in new productive enterprises, such as will most materially increase the wealth of the whole community, as well as of every individual member of the community.

“But if the land pays all taxes now, why do not these beneficial results accompany the working of the present system?”

Because 1, The tax is not fairly adjusted; 2, the producer is plundered of all his profits by the enormously heavy charges for freight and passage by railway, and by Custom House and other taxes; and 3, production is killed and labour debarred from finding employment.

“But if the people will all help to pay under the New System, do they not help at present?”

No. The great majority of producers live in the country, and must pay freight on their produce *before*

it will be carried by rail to the towns, where their market is, and wherein most consumers inhabit. The freight paid by them is not added to the price of the produce, and is therefore a dead loss to the producer.

Wherefore it is necessary, if we would effect a really gigantic improvement, and give full scope for the working of the Single Tax, that all those unjust and destructive charges and taxes should be abolished, and our seaports and railways forthwith declared free. We thus get rid of those hideous quagmires which swallow up the profits of our industries, and we afford to all our people untaxed goods and free access to market. These are the greatest of all possible stimulants to individual and to national advancement.

In order to convince any who may yet have a lingering doubt as to the advantages to be gained, it may be well to point out that—

Free railways will make goods equally valuable over the whole country, and will open to every part of it every market that can be reached by rail.

Free railways will multiply the value of land by giving free access to it, and free and ready access to all markets.

Free railways will cause a rapid increase of our population, because no other country in the world can offer such advantages.

Free railways will abolish the heaviest of all the taxes upon productive industry, and, thus leaving a



wider margin of profit to employers, will remove the necessity that compels them to reduce wages, and will also enable them to pay higher wages.

Free railways will relieve the congestion of population in cities and towns, spread the people over the country wherever there is work to be done, or land that can be used to advantage.

Free railways and the Single Tax will remove all the circumstances that now make strikes compulsory and inevitable, leaving no possible reason or excuse for them—(We will therefore hear no more about "Labour Troubles,")—will provide abundant employment for all the Labour and all the Capital in the country, and as much more as we can get; will prevent poverty and distress arising from lack of employment; will prevent the waste of much valuable produce that cannot now be carried to market on account of the heavy charges for freight; will prevent much of the loss of stock from drought, by enabling us to carry fodder to starving stock. So long as the neighbouring colonies maintain the old system, Free Railways will enable us practically to annex immense contiguous areas from them, and so reap the benefit of their produce in addition to our own.

Free Railways will enable us all to become acquainted with the whole of our country, so that we will be able to see for ourselves the special advantages of various localities, and so establish our industries in places naturally most advantageous for them.

Free Railways will enable the sick poor to have the benefit of change of air, so often vainly prescribed for them.

The New System promises advantages so multitudinous and so magnificent that it is utterly beyond the power of any human intelligence to enumerate or trace them. Suffice it to say, that the tendency of the Old System to substitute evil for good will be completely reversed, and we may fairly expect to reap all the blessings that can result from a return to a wise, just, beneficent and Christian system of legislation.

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## 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.

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## APPENDIX TO CHAPTER VI.

### THE SINGLE TAX FIFTY YEARS AGO.

WHILE searching for the statistical information required in this chapter, my attention was directed to a pamphlet by Herbert Spencer, entitled "The Man *versus* The State," which, it was confidently asserted, "finally disposed of the notion of Free Railways and the Single Tax by exposing their utter impossibility." Having read the pamphlet, and found therein *not one word* about either, but a great deal of very valuable, instructive, and interesting matter entirely corroborative of my "indictment against the Law," but embracing a much wider horizon than is contemplated by my own feeble effort, and exhibiting the firmer grasp of a master mind in the brilliant electric touch which exposes a fallacy or illuminates a truth with equal elegance and power, I can heartily recommend the pamphlet to such of my readers as may desire to gain a clearer and more comprehensive understanding of a subject of so much importance.

Mr. Spencer gives many shrewd hints that should be invaluable to the "collective wisdom" of New South Wales at present engaged in the task of making laws for our governance—a task for which so many of our legislators are so eminently disqualified. They will keenly appreciate his reference to the "practical"

politician, of whom he says:—"The theory on which he daily proceeds is that the change caused by his measure will stop where he intends it to stop. He contemplates intently the things his act will achieve, but thinks little of the remoter issues of the movement his act sets up, and still less of its collateral issues." (p. 23.) The whole description exposes so many of the failings of our own legislation that every "practical" politician should study it. He cannot read it without some advantage to himself, and it may be that its perusal will have the effect of inducing him to forego some of his contemplated attempts at law-making.

In his chapter on "The Sins of Legislators," Mr. Spencer gives a number of examples of "the mischiefs wrought by uninstructed law-making," and reminds us that "uninstructed legislators have in past times continually increased human suffering in their endeavours to mitigate it; and . . . if these evils, shown to be legislatively intensified or produced, be multiplied by ten or more, a conception will be formed of the aggregate evils caused by law-making, unguided by social science." Referring to the *many thousands* of Acts of Parliament that have been repealed, he says, "unquestionably, in multitudinous cases, repeals come because the Acts had proved injurious. We talk glibly of such changes—we think of cancelled legislation with indifference. We forget that before laws are abolished they have

generally been inflicting evils, some for a few years, some for tens of years, some for centuries . . . . Seeing, then, that bad legislation means injury to men's lives, judge what must be the total amount of mental distress, physical pain, and raised mortality, which these thousands of repealed Acts of Parliament represent!" (p. 50). He speaks of "the truth that law-making, unguided by adequate knowledge, brings immense evils" (51), and after exposing some of the blundering Acts that have added greatly to the sufferings of the London poor, he asks, "Where then lies the blame for the miseries of the East-end? Against whom should be raised 'the bitter cry of outcast London?'" (55). Further on he tells of the difficulties encountered by the Registrar-General in dealing with the census returns for 1881, where he had to take into account "39,000 administrative areas of twenty-two different kinds which overlap one another"—a telling example of bad legislation made actually visible by "the vast multitude of different areas" and "the bewildering complexity of their boundaries."

These quotations, though sufficient only to indicate what a mine of instruction Mr. Spencer's pamphlet contains, will serve well enough to show how pointedly he confirms my own contention that, since we make the laws that make the evils we endure, we are responsible for them, and have the power to remove them.

But Mr. Spencer has given me other and much more powerful support and confirmation, where I had not looked for such help or thought it possible. His support is all the more powerful, and all the more valuable in that it is involuntary, because, writing in 1884, and for quite another purpose alluding to his uncle's success in improving the condition of his parish, he could scarcely have been aware that he was confirming our high anticipations of the value of the Single Tax.

In his chapter on "The Coming Slavery," Mr. Spencer relates the following anecdote:—

A late uncle of mine, The Rev. Thomas Spencer, for some twenty years incumbent of Hinton Charterhouse, near Bath, no sooner entered on his parish duties, than he proved himself anxious for the welfare of the poor by establishing a school, a library, a clothing club, and land allotments, besides building some model cottages. Moreover, up to 1833, he was a pauper's friend—always for the pauper against the overseer. There presently came, however, the debates on the Poor Law, which impressed him with the evils of the system then in force. Though an ardent philanthropist, he was not a timid sentimentalist. The result was that, immediately the new Poor Law was passed, he proceeded to carry out its provisions in his parish. Almost universal opposition was encountered by him; not the poor only being his opponents, but even the farmers on whom came the burden of heavy poor rates. For, strange to say, their interests had become apparently identified with the maintenance of this system which taxed them so largely.

The explanation is that there had grown up the practice of paying out of the rates, a part of the wages of each farm servant—"make wages," as the sum was called. And though the farmers contributed most of the fund from which "make wages" were paid, yet, since all other ratepayers contributed, the farmers seemed to gain by the arrangement. My uncle, however, not easily deterred, faced all this opposition, and enforced the Law. The result was that in two years the rates were reduced from £700 a year to £200 a year; while the condition of the parish was greatly improved. "Those who had hitherto loitered at the corners of the streets, or at the doors of the beer shops, had something else to do, and one after another, they obtained employment;" so that out of a population of 800, only 15 had to be sent as incapable paupers to the Bath Union (when that was formed), in place of the 100 who received out-door relief a short time before.

Mr. Spencer gives no particulars about the "New Poor Law" he mentions, nor does he give the slightest intimation that he was acquainted with its purport; though, knowing the evils of the previous system, and the beneficial results which followed the enforcement of this "New Poor Law"—results which could not possibly have been produced by a *bad law*, an observer so keen can scarcely have failed to take note of a matter of so great importance.

After reading the above anecdote, I had the curiosity to look through the volumes of English Statutes for 1833-6 in the Free Public Library in Sydney, to find out what special provisions the "New



Poor Law" contained that would account for its good results. Among the measures passed in the years "6 and 7 William IV.," page 1139, Chapter 96, I found "an Act to regulate Parochial Assessments in England and Wales," by which it was enacted that poor rates should be levied only upon *the net annual value* of the property assessed.

Judge, then, of my surprise and my gratitude to Mr. Spencer when I found that he had thus furnished me with—what I had not imagined to be at all possible—an example of "The Single Tax" in actual operation! To have known the existence of the Act itself would have been of great value; but to have the working of the Act described and its beneficial results dilated upon, and by an authority perfectly disinterested and unimpeachable, was a piece of good fortune as inestimable as it was unexpected.

Mr. Spencer probably did not know, or did not remember the exact conditions of this long-defunct statute, and Mr. Henry George is probably not aware that his theory has ever been even partially reduced to practice. But here it is, and mark how grandly superior its work! It failed not of what it was designed to accomplish, and developed no unexpected evils after the manner of other statutes, and it may be cited as the one solitary Act of Parliament to which such commendation can be given. It not only did the work expected of it—to provide a fund for the relief of the poor—but it had other and more beneficial effects.

It greatly improved the condition of the parish and literally banished poverty, leaving only 15 *incapable* paupers, where before there had been 100 "on the parish;" and it reduced the amount levied on the parish from £700 to £200 a year. In two years, what a marvellous change! By simply abolishing a bad system and enforcing a good one, the entire aspect of the parish is "greatly improved," and the burden of taxation upon the ratepayers made lighter by no less than five-sevenths! and still more gratifying. 85 per cent. of the paupers, comprising all but the *incapables*, were enabled to earn their own living.

How great, then, would be the national benefit, if, instead of applying such a law in a single parish, or to a single phase of national life, it could be made to include the whole taxation assessment of the country, as it is proposed to make the Single Tax include it! Should it ever be enforced here and the same percentage of improvement should follow, as in the case of the parish of Hinton Charterhouse, our taxation would fall from nine millions to two and a half millions, all the unemployed and all the pot-house loafers would be set to work, only the "incapable paupers" would be idle, and the condition of the whole country would be greatly improved.

Is not this exactly what has been prophesied of the working of the Single Tax? Yet we are not now compelled to rely solely on our anticipations, for we have an authority to appeal to, an example to quote,

to strengthen our forecast with actual invincible facts that can neither be denied nor explained away. So many objections have been raised on the ground of its supposed impracticability, that it is scarcely possible to over-rate the value of this example of the practical working and beneficial results of the Single Tax. It silences at once the objection that it is a mere theory, and proves that it has a sound and solid basis, and that it is supported by something more substantial and practical than "the visionary notions of a mere enthusiast."

## CHAPTER VII.

### LOOKING FORWARD.

THE foundations on which it is proposed to build being thus set out, and indications given of the nature of the structure intended to be raised thereon, a short space may now be devoted to an attempt to realise, in imagination, some of the benefits it will confer.

Let it first be granted that the New System has been for some time in force as the "settled policy" of New South Wales; then let us try to picture the resulting improvement in the condition of the country and the people.

Since the abolition of tariff taxation and the departure of the first free train from Sydney, up to the present day, the march of prosperity has been rapid, uninterrupted and triumphant, brilliantly vindicating the principles upon which those reforms were introduced. At first there were not wanting numbers of those wiseacres who are always at hand to worry, annoy, and obstruct those who would sweep away any musty, dusty, antique rubbish, or give the world the benefit of any new and bright idea; who think anything of the kind is condemned beyond redemption when they have dubbed it "an innovation;" who are always full of forebodings of "dire disasters" and "terrible calamities" when any reform is proposed.

But, so far, no catastrophe has occurred to lessen our appreciation of the benefits we now enjoy, although the traffic on our railways has increased so greatly that it has been found necessary again to quadruplicate the suburban lines and duplicate most of the country lines. No trains of empty trucks or passenger cars are now to be seen, for there is always a pressure on the accommodation for both goods and passengers that keeps the energies of the Railway Commissioners always awake to the necessity of adding to their rolling stock. Every little country station is a scene of busy life and activity that affords abundant evidence of new fulness and vigour in productive enterprises—evidence that the New System is not only conducive to the advantage of the people, but that it also stimulates their energies and their intelligence to the best and most effective methods. In all directions may be seen symptoms of the marvellous improvement that has taken place, for the railways no longer pass through untrodden forests or by neglected or deserted farms. Along all the lines the farmers are busy as bees in their luxuriant fields; vineyards, orchards, and orange groves show the extent to which the wine and fruitgrowing industries have expanded, large quantities of fruit and wine being sent to India and Europe. The shipments of wheat to England are now more than the whole produce of a few years back, while the quantity of sugar produced more than doubles the former import of that commodity.

In mining districts similar progress may be observed; mines of coal, iron, tin, gold, copper, and other minerals are being worked wherever they can be found in payable quantities; the iron industry especially is rapidly growing in magnitude and importance.

In pastoral affairs great progress has been made, the number of horses, cattle, and sheep have largely increased, wool has improved both in quality and quantity, whilst the export meat trade has made enormous strides.

Manufactures of all kinds are in a most flourishing condition, those of iron and steel being now the most important in the whole country on account of the immense demand for machinery of all kinds, and the magnitude of our requirements for Railways and shipbuilding.

Many new industries have been established, a marked feature in connection with which is the fact that each is located in the best natural position, that site being selected, as a matter of course, which presents the best and greatest natural advantages for carrying on any particular industry. By availing themselves of such natural aids manufacturers are enabled to produce a greater quantity at the least possible cost. There is thus a tendency for manufactures of similar kinds to gather in groups, which greatly facilitates improvement and saves waste of both time and material. The same tendency is

observable in regard to agriculture, wheat, oats, maize, lucerne, sugar, oranges, apples, and other fruits, each favouring particular districts where they flourish more abundantly than elsewhere.

New Railways are being built as rapidly as the supply of labour and material will permit, the demands for accommodation and extension increasing more rapidly than our ability to comply with them.

So far the condition of the country continues to improve with undiminished vigour, the returns of every industry testifying to an unparalleled progress and prosperity that more than fulfil the most sanguine expectations of the founders of the New System.

Meanwhile the condition of the people has undergone a change for the better, as is shown by the figures of the Government Statistician for the last census, which prove beyond doubt that there has been a vast decrease in crime, intemperance, illegitimacy, and insanity, accompanied by an equally remarkable increase in the marriage rate and the birth rate, which proves an increase of wealth and comfort, and the existence of a real "Golden Age" of happiness and prosperity, that is no figment of a poetic imagination. Perhaps the most striking feature disclosed by the census is the vast addition to the population during the last few years. The initiation of the New System was the signal for the invasion of the country by a swarm of immigrants from both the Old and the New World, as well as from the other Australasian colonies.

This swarm continues to come with little diminution, and it is calculated that, if it is maintained for another ten years, it will add ten millions to our already largely-augmented population. These immigrants are not the outcasts or ne'er-do-wells' of other countries, but a busy, pushing, eager throng, whose very appearance shows that they are not afraid of either work or hardship; but anxious to begin afresh the demonstration of that grand truth, denied or despised by so many in the days of the old *regime* that *enterprise needs no coddling*, no meddling, tinkering, "tin pot" legislators to give it the life and vigour which are its own inherent qualities, but only "a fair field and no favour" to enable it to display its power to overcome and subdue the earth.

The arrival of the vanguard of this army of workers was but the beginning of the invasion which has filled the whole country with a most industrious and thriving population, whose smiling farms and happy homesteads form so notable a feature in the landscape bordering upon the lines of railways which used to pass through leagues of wilderness and unbroken bush. Having free access to the land in all directions, there is nothing to prevent them from becoming landowners or tenants of farms, where they are able to earn sufficient to maintain their families in comparative affluence. Just at first there was so great a "rush" to obtain farms that labour was for a while very scarce, and this scarcity was made greater by

the demand for hands for a number of new industries, but the inflow of population soon restored the balance, and the condition of affairs is now most satisfactory. In the old days there was, as has been shown, a never-ceasing, ever-increasing influence at work driving and enticing people out of the country districts into the cities, where, by the heavy tolls on travelling, they were as effectually shut in as by a wall, and so compelled to become consumers of that of which they had been producers, diminishing the share of all by lessening the amount produced, and adding to the burdens of those who still obstinately continued to produce. The double tendency of this influence was to deplete the country districts and over-crowd the cities, and to produce misery and starvation in the country districts, and misery, starvation, vice, and crime in the cities.

These evil symptoms have now entirely disappeared. Instead of driving the people into the cities, the New System encourages them to distribute themselves over the country wherever there is work to be done, or land that can be used to advantage. Even the rogues and vagabonds have discovered that it is both easier and pleasanter to make an honest living without risking their liberty, than to live by plunder and pass half their lives in gaol. As a natural consequence, drunkenness and debauchery have become rare; whilst the vices peculiar to the poor and miserable have almost entirely disappeared, and the general

social and moral improvement of the people is even greater than their temporal advancement. This need not seem strange to enlightened and civilised Christians when even Cicero, heathen as he was, knew that "to give men happiness is to bring them nearer to God." But it is, nevertheless, a complete vindication of the New System, and a confutation of those who held that evil is an indigenous growth in every human heart, while virtue is but an exotic culture; who maintained that it is impossible to decrease the average residuum of poverty, sin, or sorrow in the world, or to elevate and improve man's moral nature.

The demonstration of this truth is the crowning triumph of the New System.

The other Australian colonies regarded the inauguration of the new policy in New South Wales with calm confidence in their own superiority, not a little mixed with wonder that the oldest and most conservative of the group should thus be the first to run counter to the traditions of ancient wisdom. Their complacency was soon exchanged for admiration of the renewed vigour and vitality displayed by the mother colony; and their admiration speedily gave place to alarm for their own safety when they awoke to the fact that their people seemed with one consent to have become eager to determine which colony could be first abandoned to the crows and kangaroos. They started for New South Wales at first in tens, then in hundreds, and, before anything

could be decided upon, the hundreds had grown to thousands, "and still they came," leaving behind only those who could not get away.

Then it was seen that the same attraction which drew them away must be relied upon to bring them back, or at least to induce *some* to stay at home, and the New System at once became law from Cape York to the Leeuwin.

The Federal Government was shortly afterwards established, and one of its first measures was a provision for the extension of the system of free carriage to our immense ocean traffic. All the Orient and P. and O. steamers were bought, and a number of still larger vessels ordered before the scheme was divulged. Of course, a great outcry was immediately raised by those who could not see what benefit was to be derived from the step, although the advantages are but little less than those conferred by free land-carriage. The Federal Government, however, was not to be deterred by the clamour of these, and proceeded further to buy up all the coasting steamers, and thus took the entire carrying trade of the country into its own hands. It was very soon made clear that the public regarded the change with approval, and its value was put beyond doubt by the arrival of several vessels in rapid succession, all crowded with immigrants ready to go to work, at a time when the scarcity of labourers seemed likely to involve the country in disaster. After that there was no more

grumbling, and all went "merry as a marriage bell." Every vessel that arrived was full, both of cargo and passengers, for the former cost nothing beyond the expense of putting it on board, and the latter had to pay only for food and attendance on the voyage.

Never in the history of the world has there been any parallel to the life and activity now displayed by all the colonies of the Australian Federation. As the uninterrupted stream of immigration continued to pour into them, adding new strength to the productive power of the people, there has been a continuous growth in all branches of industrial enterprise—a growth so rapid and so great that, although the whole energies of the Government are directed to prevent waste, it is at times difficult to find adequate means for transporting to seaport or to market the enormous results of the people's productive energy.

The question of the Federal Capital, which was allowed to remain for some time in abeyance, having at length been settled, and the capital fixed at Centralia, a new direction has been given to much of the land traffic. Trunk lines have been constructed to connect the Federal City with the old capitals, which are still the principal seaports of the country, though many new ones have been established of late, and others are in course of formation.

Our mercantile marine has kept pace with our advance in other respects; and we now have a fleet of ocean steamers that will compare favourably with

any in the world. On account of the rapid growth of the coastal traffic under the New System, it has been found necessary to add large numbers of new vessels to our coasting fleet. To supply these the new iron shipbuilding industries were established, and have been kept busy ever since; and have, indeed, been of most signal national service.

The Federal Railway system is a very wonderful feature in the new map of Australia, the lines stretching outward from Centralia to the coast being crossed at intervals by connecting lines, which impart to a railway map the appearance of a huge geometrical pattern. As the system extends, it will still more decidedly assume that character, for it is not intended to allow the lines to grow at haphazard, but to build them in accordance with a definite scheme prepared by a skilful staff of engineers.

The abolition of all other governmental taxes of every kind was a reform which speedily followed the introduction of the New System. It was seen that these taxes were entirely unnecessary, and that the ever-increasing value of the land provided a revenue so abundant and elastic that they were no longer required; but they were abolished chiefly because of their maleficent nature. In connection with our civil and criminal courts, the charges had long been condemned for their injustice, and because they provided a means of extortion and oppression in the hands of unscrupulous officials and litigants, and were

at all times a burden to the poor, who found it hard enough to live, without having to buy justice. It was accordingly declared unlawful to make any charge whatever in connection with the administration of justice, which was still further improved by the abolition of the "time-honoured system of trial by jury," the place of both jury and counsel being taken by two assistant judges, whose function it is to see that justice is done in accordance not only with the law of the land, but with the higher law of right and truth. The practice of allowing counsel to plead, to examine, and conduct cases, has been swept away, and a much simpler form of procedure adopted, which renders it unprofitable to any man to waste time in the courts; and it is no longer the interest of any that cases should be prolonged for months that might easily be settled in an hour.

After considerable discussion the Post and Telegraph Offices were declared free, and letters and telegrams were carried without charge, except for delivery by special messenger.

The next batch of burdens consisted of all that remained of the Old System, Municipal rates, gas rates, water rates, sewerage rates, the rabbit tax, and all other charges, fees, rates, tolls, taxes or assessments, levied in accordance with the provisions of any Act of Parliament, were consigned together to oblivion. Then began the reign of the Single Tax as the one supreme and only tax for the whole nation.

Against the abolition of the duties on wines and spirits a desperate fight was made by the Local Optionists and Sons of Temperance, who urged that these should rather be increased than abolished. Against them it was argued—that publicans' licenses gave to certain houses, specially set apart for the business, the monopoly of the retail traffic in intoxicating liquor; that those houses thus became a rendezvous for toppers and tipplers, who were thereby encouraged, and encouraged one another, to deeper indulgence than if each should buy in a place where he would not be allowed to stop and drink, even as people buy meat and bread which they carry away and consume in private; that these licenses made it the interest as well as the business of the publican to sell as much liquor as possible, thus deliberately providing a class to debase and ruin as many as possible of their fellow-citizens; that the abolition of the license fee would make the liquor trade a part of ordinary business and would abolish pot-houses and ginshops, to the great and manifest gain of the whole community; that provision could be made to prevent the gathering of confirmed drunkards in any house for the purpose of drinking, by treating drunkenness as an aberration of intellect and secluding patients for special medical treatment until they should be pronounced cured, instead of giving them "twenty-four hours in the cells;" and much more to a similar effect. Nothing, however, would persuade the temperance people that the

removal of these taxes would not expose the entire population to the imminent danger of becoming confirmed drunkards, simply because liquor would be so much cheaper. They were evidently of opinion that only their efforts had hitherto prevented that catastrophe, and that *the license fee had assisted them*, not perceiving that they must fight in vain against the allurements of strong liquor while so many others were rendering those allurements still more attractive and still more potent by every means in their power. The result has proved that their apprehensions were groundless, for since the liquor trade has been *unrestricted*, drunkenness has become rare, although, of course, intemperance is still a vice all too prevalent. In our struggle against its enticements we now have the most powerful of all possible assistance in the quickly rising standard of moral life and conduct more generally adopted among the people, as they free themselves from the evil influence of old associations, and raise themselves by degrees above the level where infamy and vice bring no shame to the misery-encrusted soul.

The establishment of "The State Bank of Federated Australia" was another benefit, the founding of which was, perhaps, only hastened by the New System, for its necessity had been foreseen even before the discussion about the New System had arisen. It was formed for the purpose of managing all the financial business of the Government, and



arranging the liquidation of the public debts of the federated colonies. The revenue obtainable from the Single Tax, being at all times easily and simply adjustable to our requirements, it has been a matter of no great difficulty to relieve the country of the pressure of so great a burden of debt. Funds for the construction of railways or other large and expensive public works can easily be found by an almost inappreciable addition to the ordinary rate of the Single Tax, when the amount raised proves insufficient. That has as yet occurred only once, when a large instalment of the public debt and a heavy payment on account of new railways became due at the same time. The rate has been lowered three times since the first levy, when it was found that the revenue was much greater than the expenditure, owing to the unexpected expansiveness of the value of the land.

The State Bank has proved itself a very useful institution in many respects, but the one feature that has most endeared it to the people is the system of issuing State debentures in exchange for the title deeds of land, which may be redeemed by the repayment of the amount of the debentures, provided only that the annual tax has not fallen into arrears beyond the value of the owner's improvements, in which case the State may sell or lease the land, reserving the right of redemption for five years only. In this way, Capital locked up in land is set free to add its share to the wealth of the country, and no individual is

hampered for want of funds to make his land more productive, or by the difficulty of finding a purchaser if he should wish to sell it. The method of issuing debentures is very simple, the owner merely lodging his deeds and his Single Tax Assessment to show the value of the land, and receiving in exchange debentures for the amount he may require up to the total value, and a receipt for his deeds showing the amount for which they are held. This receipt is a negotiable security, and may be sold, mortgaged, transferred, or bequeathed, the holder being the owner for the time being of the equity of redemption, and of such value over and above its debenture value, as the land may possess or acquire. The debentures are negotiable documents of the nature of bank notes, and may be used in exactly the same way. Bearing no interest, their face value shows their worth; and, being of large denomination only, they are of the greatest service in all commercial transactions. The advantage to the State, in lieu of interest, lies in the additional value given to the land by the expenditure of the debenture capital in increasing its productive power, or in the establishment of reproductive enterprises, which add to the wealth of the whole community—of the individual producer, and to the State revenue.

The justice of this system has been called in question, but without exposing any fault in it; for it is clear that, since the State derives its revenue from the land, and has already received its value for it,

and is, moreover, a direct gainer by this method of dealing with it, there is every reason why the State and the landowner should be mutually advantaged in this way, and no reason at all why they should not, except that it puts an end to the old usurious system which returned large profits to shareholders in land mortgage companies by killing off the productive industries which are the breath of life to the community.

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## CHAPTER VIII.

## THE NEW SYSTEM.

THE establishment of the new system in Australia was watched with earnest attention by the whole civilised world, but most intently by those of our own kindred whose attention had already been drawn to the Single Tax, but none had courage or confidence enough to try it until they saw how splendidly it was working in Australia. In England it was at first pronounced by high authorities to be but "a visionary Utopian scheme, flimsy and hollow as a soap-bubble, very beautiful to contemplate in a favourable light, but certain to burst immediately on coming in contact with the hard realities of national life, and utterly impossible as the settled policy of a great nation." The Irish and Scotch, and more emphatically the Welsh, admired the system exceedingly, declaring it to be identical with that which prevailed amongst them in the days before either the Roman or the Sassenach appeared in the land of the Briton. They are still its enthusiastic admirers, and would have it at once if it were possible, but the oracles had spoken and condemned it, and so was lost the favourable opportunity that might have saved the Empire much loss and many a bitter struggle. The troubles, domestic and foreign, the strikes, mutinies, and revolts which

have of late destroyed his peace and happiness, have hitherto prevented John Bull from even considering the matter. Since, however, "the stern logic of Time" has completely reversed the judgment of the "high authorities" on which the new system was rejected in the first instance, there is every hope that Great Britain will shortly adopt it.

Other European nations having pronounced against the New System, and rejected it with scorn when first introduced to their notice, and now perhaps feeling compelled to prove themselves right in spite of fate, or bound too firmly in the chains of their military organisations, maintain an obstinate hostility to it. They have lost the small share of the world's carrying trade they once enjoyed, and are compelled largely to subsidise the few vessels they still maintain upon the seas. They have also, to their own great injury, imposed heavy taxes upon Australian ships visiting their ports, and upon goods imported from Australia, of which, although cheaper and better than their own, they thus deprive their people.

Denmark, Sweden, and Norway have adopted the Single Tax, but reject "free carriage," and must consequently depend upon Australian vessels for their foreign trade.

Our Canadian brethren had closely noted our proceedings, and almost before its success became assured in New South Wales, their Government brought in a measure for the adoption of the New

System. This was opposed with such vehemence by the Tariff party that it was postponed for a considerable time, but was, on "appeal to the country," finally carried by a large majority. It was thus forced upon the notice of the United States Government, who at once perceived that it would enable Canada to cut them out of all their foreign trade, and that it would be more prejudicial to them the longer they stood out against it. They, therefore, immediately declared in favour of the New System and set to work with the greatest vigour and determination to carry their resolution into effect. Their action was at once endorsed with the warmest approval of the people, which blazed up into almost delirious enthusiasm when it was discovered that an attempt was being made to defeat reform by the distribution of enormous bribes. Then, indeed, the people arose in their strength, and heaped scorn and contempt upon the base traffickers in the nation's liberties. Before their righteous wrath, the opposition, after a few short-lived but fierce and furious sputterings, disappeared like thorns in the devouring flames of a mighty conflagration. Rings, pools, corners, and monopolies of all kinds were swept away, the chains which fettered industry, and made Labour the bond-slave of Monopoly, were burst asunder, and Liberty once more walked with free unshackled limbs through the land of Freedom. The whole country went wild with joy, the immensity of the people's relief and gladness breaking forth in

songs of triumph and delight. Processions, miles in length, of labourers with their wives and children paraded the streets with music, flags, banners and devices with shouts of triumphant joy, showing how deeply their hearts were stirred "to welcome Freedom home again" as their voices re-echoed to the thrilling strains of their musicians. On the next Sabbath, the churches were decorated for "services of thanksgiving for the mighty deliverance of our country from the bonds of industrial slavery," which were held in almost every town and city throughout the country.

The excitement culminated in, if possible, a still wilder outburst of popular rejoicing when "a measure for the resumption of the railways for the free service of the people of this country" was carried without a single dissentient voice, although it pledged the Government to a liability of nearly four thousand millions of dollars, and an annual working expenditure of about five hundred millions of dollars. Some were a little staggered by the magnitude of these figures, but the President soon allayed their fears by reminding them that it "does not matter whether the cost is four cents or four hundred thousand million dollars, so long as we get value for our money," and proceeded to demonstrate that the amount would be more than covered ten times over, by the increased value of land in the Western States alone. He was well supported by an enterprising and speculative Senator, who offered to take the whole liability on

his own shoulders in exchange for the fee simple, free of tax, of 100,000 square miles of land in a barren and desert waste in the far west. When it was explained, however, that free railways would raise the value of that particular territory by about fifty thousand million dollars, the advantages of the New System became clear to the most sceptical, and no further objection was raised even to the purchase of all the steamers owned in the United States, also "for the free service of the people."

The working of the system has more than justified their most sanguine expectations, daily developing unexpected features of a most beneficial nature. The setting free of the enormous capital, which had been locked up in railways, provided ample funds for the establishment of new and flourishing industries, perhaps the most expansive of which is the building of steel steamers, the States being now the principal rivals of Australia in that essential branch of national development, almost strangled by the vicious exclusive policy so long maintained by the dominant party in the United States.

Nowhere has experience of the New System disclosed the slightest tendency toward the production of any of those evils, of which the Old was so prolific. On the contrary, it has given abundant proofs of its power to work out the national and moral regeneration of any people by whom its fundamental principles are embraced. To them it becomes a fountain of blessing,

and a perennial source of refreshment and felicity, and proving that man may raise himself above the reach of evil, if he will but avail himself of the means provided by Divine wisdom.

## CHAPTER IX.

## CONCLUSION.

IF I have attained any measure of success, it must now be manifest that our present policy stands condemned in that it ever tends to degrade and debase mankind, morally, socially, and physically; and also because it does not, and cannot, exercise any elevating effect in any respect whatever.

It must also be clear that the New System, or a new system, must shortly be attempted if we wish to avoid the calamities that have overtaken older nations, and are already menacing ourselves.

Having discharged my duty to my country in making known what I hope and believe will prove of great advantage to the world, it only remains to express my gratitude to those whose works have touched the same ground, Mr. Henry George, Mr. Edward Bellamy, and Mr. Herbert Spencer; and also to my brother, Mr. T. A. Johnston, for much assistance and many valuable suggestions.

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# FREE RAILWAYS.

# FREE RAILWAYS

OR

THE ABOLITION OF TOLLS AND TAXES.

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A LECTURE

DELIVERED IN THE MECHANICS' INSTITUTE, SINGLETON,

JUNE 26TH, 1890,

BY

ALEXANDER W. JOHNSTON, M.A.

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# FREE RAILWAYS;

OR,

THE ABOLITION OF TOLLS AND TAXES.

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THE subject to which I wish to draw your attention is the national benefit arising from the abolition of all existing tolls and taxes, and the substitution for them of a simple, easy, just and rational system of taxation—a system which will encourage our national progress instead of impeding it, and confer upon every man the power to secure for himself the full value of the product of his labour, instead of plundering him of a round third of it as our present system does.

By removing obstructive tolls and injurious taxes we can do much to promote the development of the grand natural resources of our country, and clear the way for a progression more rapid and more magnificent than has every yet been enjoyed by any nation in the world. By imposing a just and judicious tax we can provide the spur that will set every one moving in the grand march of that progress, and keep them all going ever onward and upward



until we reach a pinnacle of happiness and prosperity unsurpassed since the beginning of the world's history.

To understand how this may be done, we must first understand the operation of our present system, how its workings obstruct our enterprises, ruin our industries and degrade us socially, morally and politically. We will the better comprehend the influence of a wise and just system when we see clearly the evil effects of a foolish and oppressive one, and we may obtain this insight by observing the transactions of our everyday life, and noting how different classes of people are affected by them. We see that there are two classes who are continually engaged in the business of exchanging commodities—the mercantile class and those engaged in productive industries. It is the business of the former to bring into the country supplies of all kinds of the goods we use or consume but do not produce, and the function of the latter is to exchange with the former the goods we produce for those we consume. In this business of exchange the whole of our population, with the exception of a very small percentage, is incessantly occupied, the profits remaining in the hands of the merchant, and the producer representing the national gain by their transactions for a given period. It is obvious, then, that anything which tends to reduce the amount of that profit, or to hinder or prevent exchange from being effected, must exercise a

prejudicial effect upon our national welfare; and it must be equally obvious that if we deliberately lessen those profits or deliberately obstruct exchange of commodities, we inflict an injury upon the merchant, upon the producer and upon the nation at large. Hence it follows that if we not only deliberately do these things, but also obstruct both the importation and the production of goods, we inflict upon the whole community a still greater injury—an injury whose end is ruin, absolute and complete, which may be postponed for a few short years in a community possessed of great natural wealth and other advantages, but which cannot be averted if that course is sustained.

It may be urged that no civilised nation would be so foolish as to cut its own throat in that manner, that all would take particular care to avoid such actions as must injure themselves, and would, above all, protect and promote to the utmost of their ability all those industries upon which their welfare depends. They would certainly not throw obstacles in the way to prevent people from entering upon any of those industries, nor would they diminish the profits derived from such undertakings, or harass those who carry them on; but would rather do all in their power to remove obstacles and to give encouragement to such enterprises. Judged by this standard, there are no civilised nations, for all the most enlightened and cultivated peoples of the world do act in this foolish

way, and even we, who flatter ourselves that we are wiser than other nations, display as little wisdom as any of them in our treatment of the most important section of our population. Our producers are constantly exchanging our wool, wine, wheat, fruit, coal, or other produce, for clothing, furniture, machinery, food, or other goods, and it is apparent that they who can effect this exchange at the least cost, or in the least time, or by traversing the shortest distance, must have a great advantage over those who must pay more, or spend more time, or travel a greater distance to effect their exchanges. To increase the disadvantages of these in any respect would appear unjust and foolish, even in the eyes of a savage. But we, in our wisdom, do so increase their disadvantages by compelling those to pay most who must travel the greatest distance, and lose the most time in bringing their goods to market by rail, or road, or steamer. This is practically the same as if we declared one ton of hay in Sydney to be equal to two tons at Singleton, three tons at Tamworth, or four tons at Narrabri, because the producer at those places must send two, three or four tons to obtain in return the value of one ton from Sydney. The greater their disadvantages in point of time and distance, the greater we make their disadvantage in point of cost, and the more we increase the advantages of those who are more favourably situated and already enjoy the greater natural advantages. If we were to

say in set terms to the pioneers who brave the dangers, the difficulties, and the discomforts of life in the bush, "If you will persist in travelling by the railway so far into the interior, we will make you pay more the further you go, and if you should be so foolish as to send any produce to market from the wilderness of the west, we will not allow you to make any profit on it, for we will levy a toll upon it that will effectually prevent you from using the railways except to the most limited extent," we should only be stating in plain terms what we do in effect. The simple foolishness of our treatment of this most valuable portion of the community will be more clearly apparent if we remember that the railways are made and paid for by the public, and for the public convenience and benefit; the end aimed at being to afford ready access to our most distant territory, in order that the immense wealth of our western plains may be brought within the reach of our people. That is the end we aim at, but the end we attain is to prevent as many as possible from using the means of travelling we have provided, to plunder all who do use it of as much as possible of the wealth they may win, and to obstruct as much as possible that development of our natural resources we are so anxious to encourage. We build railways to use, and punish those who use them: we push them out into the plains to the north, to the south, and to the west, and then we try to make it unprofitable for anybody to use them! We prevent

people from travelling and retard the progress of the country by increasing the toll with the difficulties to be encountered, and then we hold ourselves up for the admiration of the world as the most enlightened people that have been since the world began! That is our way of encouraging the pioneers who force their way into our undeveloped wastes, our miners, our farmers, graziers and manufacturers; and it is a fair example of the way the most necessary and valuable section of the people is affected by our present oppressive and injurious system.

But, lest it should happen that there should still remain some small profit to those we profess to encourage, we have another toll to levy upon them in the shape of freight on the goods they consume. We thus make them pay both ways, for we *deduct* the freight from all they produce and add it to all they consume. For example, if they send £100 worth of goods to Sydney by rail, we charge them say £10 for freight, and only allow them £90 as the value of their goods. Then, if they buy £100 worth to consume, we make them pay another £10 for freight, and so their goods worth £100 cost them £110.

But there may even yet besometrifle of profit of which we can rob our producers, so we have a way of extracting it by imposing Custom House taxes on the goods they consume, by which we raise the price of those goods so that they receive less in exchange. If they send £100 worth we deduct £10 for freight, and then deduct

£10 for freight of goods sent in exchange, and another £10 for taxes; so that all they receive for their £100 is £70 worth! By means of tolls and taxes we manage to plunder them of 30 per cent. of the value of all they produce, we depreciate the value of country lands, we restrict enterprise to the narrowest limits, and obstruct the progress of our country. And we do all these things by the very means we have devised for the purpose of adding to the value of country lands, encouraging enterprise, and promoting the welfare of the country. We cry "Advance Australia" and levy a fine of 30 per cent. upon the produce of those who do most to help Australia onward. We build railways to give access to the land and then punish with tolls all who use them. We offer cheap land to induce people to settle in the interior of the country, and then we fine them for going there—fine them for taking there the goods they must use, fine them for sending their produce to market, fine them whether they buy or sell, and fine them again when despair drives them to try a change of locality.

Under such a system, it is manifest that our rate of progression must be the very slowest that is possible, for we are much more successful in devising means to retard than to accelerate it; and though we try to get along quickly, we put so many unnecessary obstructions in the way, that we are only able to go very slowly; and we waste so much in so many

ways, that even on that account alone, our system is worthy of condemnation. Who has not seen long trains of empty cars and trucks running to and fro on our railways? Who has not seen crops rotting in the fields, or wasted and destroyed by vermin, while these trucks run empty past them? Who has not seen stock dying of starvation, while the farmer's hay lay rotting on the ground? Who has not seen valuable mines abandoned, because it costs so much to carry anything by railway? Yet these empty trucks run up and down the lines doing good to none, wasting themselves and causing the waste of more than would cover the cost of our railways year by year! The reason of all this loss and waste is that we levy tolls so enormous that we prohibit people from carrying their goods on the railways we have built for the express purpose of carrying them!

If we enquire "Who pays the cost of running empty trucks?" we find that the farmer whose crops are wasted, the miner, whose mine is abandoned, the grazier, whose sheep and cattle are dying of starvation, pay for everything, whether the trucks are full or empty. But the wasting hay must not be carried to the starving stock, nor the stock be carried to places where grass is abundant, because the laws which rule this country have decreed that it is unlawful to do so, unless the fines, or tolls, in that case made and provided are first paid. So the hay must rot; the stock must die; the railways must be worn out

to no purpose, that this foolish law may be obeyed! Why should this system be maintained? It cannot be that our rulers do not know its faults; because only a few years ago they abolished tolls on the public roads of the colony, thereby clearly showing that they understood their injurious action. The public roads were made free because it was plainly seen that tolls were a relic of barbarism, an obstacle to national prosperity, and a gross injustice to those who were compelled to pay for using the public roads—roads made specially for the public use and benefit, from which the country derived the greater benefit the more they were used. Tolls were therefore removed from the roads, only to be re-established on the railways where they do a thousand times more mischief, because they fall almost exclusively on those engaged in productive enterprise. Farmers, miners, and graziers, send their produce to Sydney by rail *and pay freight*. Then they buy supplies and send them home by rail, *and pay freight again*. Hence it is clear that the railways are paid for and maintained by them almost exclusively, while the rest of the community, who derive at least an equal benefit from the railways, *pay nothing at all!* Although the operation of these tolls may seem to benefit these latter, it is nevertheless every way injurious, and inflicts upon the country the worst and greatest injury, because it falls oppressively upon production and hurts those who are engaged in

developing the resources of our vast inland territory, who produce the wealth by which the whole community is sustained. The injury it works is twofold. It prevents them from producing as much as they otherwise would, and it prevents them from securing the full value of what they do produce. In the first case, the entire population suffer together, because the wealth of the whole community must be less than it should be when the production of wealth is less. In the second, the merchant suffers with the producer, because he sells less than he would if the producer had more money to buy with. Therefore, the merchant who pays no toll suffers because the producer pays it all, and both are equally interested in securing the abolition of this great impediment to national progress.

Of all who are injured by tolls, however, those who suffer most are the working classes, who have nothing to sell but their labour, and whose whole livelihood, to say nothing of their comfort, depends on their ability to find a market for their labour. It is not only that they cannot afford to pay the toll for travelling from place to place, but that the tendency of the toll is to restrict their market by killing the industries which otherwise would employ them. How industry is strangled and production restricted has already been made clear; but we still make *some* gain—*some* advance in national prosperity in spite of all obstacles. As a whole, the community moves onward; but the labourer is often left by the failure

of enterprises to face the alternative of beggary or starvation, and is thus the most injured and oppressed of all.

Leaving, now, the dark side of the question, let us consider some of the benefits that must follow the abolition of tolls and taxes—those relics of barbarism that cause us so much trouble. The producers of national wealth, having now no tolls or taxes to pay, buy their goods in Sydney without contributing to the Custom House, and carry them home without being fined for using the railways; and thus effect a considerable saving. The farmer harvests his crops, and, finding that there is a good market to the North for hay, to the South for corn, to the East for fruit, to the West for potatoes, he sends off his produce accordingly, it matters not how far, to the market, where he receives full value because he has no toll to pay. When he goes to Sydney he can buy more goods, and next year he will cultivate a wider area and produce more wealth, and so he will go on prospering exceedingly because he buys and sells to the best advantage, and his industry is not hampered by unjust and unnecessary restrictions, and his profits are not absorbed in paying tolls and taxes. The grazier, too, has the advantage of buying and selling in the best markets, and, in case of drought, can save his stock from perishing because he can carry hay to feed them without having to pay more than their value in freight. The miner can work mines at a

profit that he was before compelled to abandon because they would not pay. The merchant, who has all along supported the system of tolls and taxes under the mistaken impression that they were necessary to his welfare, suddenly discovers that business is growing brisker and more brisk, and shows an expansiveness as surprising as it is unexampled. Where he used to sell one ton he now sells ten; and where he once cleared £1, and thought he did well, he now clears £10, £12, or £15. His old warehouses and depôts are no longer equal to the storage of goods in transit; and there is on all sides a most wonderful activity, promising better business and greater profits yet in store for him. The labourer also finds a great change for the better; for now there are hundreds of thriving industries full of life and vigour, all of them eager competitors for the labour that was literally going a-begging but a short time ago. He is no longer pinched with hunger, or harassed with thoughts of the wife and little ones to feed whom he used to tramp so many weary, mournful miles. With thankful heart and cheerful spirit he works industriously, and saves frugally, in the confident hope of soon attaining an independent position and a comfortable home of his own as the result of his exertions. In all professions and trades, occupations and callings, classes and positions in life, are felt the blessings and benefits conferred by the abolition of these oppressive taxes and injurious, obstructive tolls.

“But how is everything to be paid for when the sources which now provide the revenue of the country are thus closed up?” is the question by which we are here confronted; for, however much they may harass and vex us, however detrimental they may be to the country, however barbarous and stupid they may be in themselves, these tolls and taxes at least furnish us with the means of carrying on the government of the country. Our revenue for the year 1889 was £9,063,399 from all present sources of supply; and if we sweep them away we must find some other source that will provide at least an equal sum in order that our public credit may not suffer, nor the machinery of government become disarranged.

There is but one source from which we can draw such a revenue; and we can raise it without inflicting upon a single individual any of that injury, oppression and wrong our present system inflicts upon the whole community. And more than that, and better than that, we can raise it in such a way that we increase and intensify the benefits and blessings already described as accruing from the abolition of our old, absurd, and injurious system of tolls and taxes.

By taxing the annual value of the land, we can raise with ease a revenue of £9,000,000, and can even double that amount, if it should be required, and yet do no injury to those who own land.

This will be clearly apprehended from a careful consideration of a few statistical facts. The area of

New South Wales is nearly 196,000,000 acres, of which about 45,000,000 acres have been alienated and passed into private ownership, leaving about 150,000,000 acres of land belonging to the Crown. Remembering that the private land is the best and most valuable in the colony, we may safely assume that its average annual value is not less than 6s. 8d. per acre, giving a total income of £15,000,000 per annum, a tax of 10 per cent. upon which will yield £1,500,000 per annum. Assuming the annual value of Crown lands to be, on the average, one shilling per acre, from them we will draw a revenue of £7,500,000, which, added to the amount derived from private lands, £1,500,000, gives a total revenue of £9,000,000 per annum. We are thus provided against all demands on the Public Treasury, and need have no fear that we will not be able to meet all our obligations.

Concerning the justice of such a tax, there are some who argue that it is quite right and just to tax food and clothing and other kinds of property, but very wrong and unjust to tax land, which has been bought and paid for, and become private property by express contract with the State. The only difference between other kinds of property and property in land is that those other kinds have been bought and paid for, and actually made by the labour of man's hands, whilst the land, though bought and paid for, is not so made—a distinction, which can only be regarded as a

powerful argument in favour of taxing land, and against taxing other kinds of property. Other objectors say it is most unjust to tax landowners, and allow all other classes to go free, and that it amounts to a repudiation by the State of special State contracts, and a good many things uncomplimentary to Mr. Henry George and others who advocate the same doctrine, as if to tax land were any more a repudiation of State contracts than to tax property of any other kind. But they object to the tax on land values only as children object to medicine—because they do not perceive the good it will do them; and they oppose Free Railways for a similar reason. I will try to explain it clearly, in order to remove their objections, and convert their opposition into strenuous support.

When enumerating the blessings that must accrue to certain classes of the population from the abolition of tolls and taxes I omitted landowners from the list, because, though all benefit, they will benefit most.

If they will consider for a moment that the value of land depends greatly on its accessibility, and on the accessibility of markets for the produce of the land, they must perceive that Free Railways will give *free access* to the land, and free access to every market in the colony that can be reached by rail, and will therefore add greatly to the value of their land.

It is impossible to calculate how great will be this increase in value, but there is every reason to suppose that it will speedily mount up to ten times the present

value, or even more. To be well within the mark, let us suppose that the value will be only doubled, and that private lands, now worth say £300,000,000 will then be worth £600,000,000; then the owners of this land must acknowledge that they gain considerably by the transaction. To put it in another way—in return for the tax of one million and a half yearly, which they pay to the revenue, they receive fifteen millions added to the annual value of their land. That is to say, for every £1 they pay, they receive ten pounds. In addition to this, they enjoy all the benefits accruing to all other classes, because they have no other tolls or taxes to pay, but only "The Single Tax" on the annual value of their land. They also gain in addition from the increased production of wealth from the land, encouraged by the removal of obstructive tolls, and stimulated by the action of the Single Tax.

It must therefore be perfectly clear that owners of land will be the greatest gainers by this proposed change, and if at any time it should happen that we required 40 or 50 millions of extra revenue for the public service, would they not gladly pledge themselves to pay it, more especially if, instead of being only doubled, the value of their land should be multiplied by *ten*, and raised from three hundred to three thousand millions?

Although such a result may seem too astounding to be really possible, there is yet no reason for supposing it to be even improbable. On the contrary, the more

thought is given to the subject, and the more it is examined and enquired into, the more clearly does it become apparent that our gain will be simply incalculable, our progress will be "by leaps and bounds," and that prosperity will sweep over the country, not like a wave that leaves a period of depression behind it, but like a flood that rises steadily and knows no return, because it springs from a source that is inexhaustible—a source that will pour forth an ever-increasing stream of abundant blessing, if we will but clear away the obstructions that now choke up the spring and impede its flow.

It will continue to flow and to heighten its floods of blessings, as long as we are willing to leave it free; but we can at any time cut it off and diminish its beneficence, by blocking its channel with tolls and taxes, such as we have at present. Should we find that we are becoming too rich, too happy and too comfortable, we can easily tax ourselves back into poverty by restoring our existing system. But there can be no reason why we should now keep the channel of prosperity blocked up, unless it is taken for granted that we are all rich enough as we are, and would only be injured by the attainment of more wealth. If we are not yet rich enough, let us clear the channel that the flood may pour forth freely, for that is all that is necessary to enable us to attain wealth enough. If you think life without taxes endurable, if you wish to possess more wealth, if



you think it worth your while to attempt to clear away the obstructions that now prevent you from becoming more rich and comfortable; there is nothing in the world to prevent you but your own inert submission, your own blind adherence to this old, corrupt, and injurious system of taxation which has kept us all so long floundering in the mud, while close at hand, within our reach, lies the good, smooth, hard road that will accelerate our progress amazingly. There is nothing to hinder you from reaching this road by constitutional means, by making your desires known in the same way as on any other question affecting your material welfare, by simply giving your representative in Parliament to understand that you want Free Railways, and the abolition of all tolls and taxes at present existing, their place to be supplied by a tax on land values.

Remember that you have the power to decide what the policy of this country shall be, and that the only way to make your wishes felt, the only way to have the policy you desire immediately enforced, is for you to be of one mind about it.

Many of you have observed a party of ants endeavouring to remove a straw from their nest. How they tug and struggle and strain at it, every ant working with might and main and doing his very utmost to drag it in his own particular direction. This way and that it moves, now a little forward, then back a little way, obedient to the impulse of the

majority of ants, but making no material progress. Sometimes, after working for hours in this way, they will give up in despair and make no further effort to accomplish what seems a hopeless task. They do not perceive that if two or three of them would agree which way the straw should go, and drag it that way, they could move it as far as they wished in a few minutes.

We are just like those ants. We are all anxious to remove the poverty and misery, the terrible depression in all branches of industry, but we all want to move it our own way. We pull against one another and do our best to prevent it from moving any way but the way we want it to go, and so it does not move at all. We have in fact no definite idea of how it should be moved, and every man fears his neighbour's plan may be injurious to him because no one can show a clear reason in favour of any of the plans that have been proposed. The reasons in favour of the plan I have set before you are clear and decisive, and if you will only pull together and determine to have the railways made free, you will quickly remove the straws that have so long troubled us. And if you then impose a tax on land values you will at once set in motion the whole productive force of the country, for that tax is the spur of which I spoke just now. It is the stimulus that starts the landowners to work to get the tax out of the land, because they will not care to keep land lying

idle from which they get nothing, but for which they pay the tax.

The spur will keep them going, and they will keep everybody else on the move, because it will be to their interest to do so, and land which now produces nothing will be made to add its share to the wealth of the community. This can be done only by applying labour to it, either to cultivate it, to extract its minerals, to feed stock upon it, or to build houses upon it. In one of these ways it will be made to return a profit to its owner, and so add to the wealth of the community, while providing employment for the idle thousands who now can find nothing to do. Even then the spur will continue to stir up the landowners to use their land to the best advantage, and it will never cease to urge them on as long as there is an acre of unproductive land in the whole country.

Such is the beneficial tendency of this policy—encouraging enterprise and rewarding with earth's richest blessings all who will industriously seek them, and rendering it unprofitable to keep land locked up from use that might be used to advantage.

Not only does it add wealth to wealth and make the rich richer, but it gives wealth and comfort for poverty and misery. It not only removes obstacles from the path of progress, but it also gives us a lift along the road. Instead of fostering conditions under which a few grow rich, but the many inherit poverty and leave it as an heirloom to their children, it gives wealth to

all who will work for it, reserving the curse of poverty for the lazy self-indulgent sluggards who will not work, but are not ashamed to beg or even to steal.

This policy will remove all objections to the introduction of immigrants, because the hands of the workers will be all too few to cope with the abundance of work to be done—it will solve the drink question, the labour question, and will free us from the ever-menacing danger arising from strikes and disputes about wages. It also gives a plain and sensible answer to that problem, so perplexing to parents of large families, "What shall we do with our boys and girls?" Instead of being a source of trouble and anxiety they will fill the hearts of their parents with joy and pride, because there will never be any difficulty in providing for them; there need never be any anxiety about their future, nor any dread lest poverty should befall them and fill their lives with such miseries as so many now endure. Even such a calamity as a fire or a flood that spared nothing but their lives would involve but temporary discomfort to an industrious and frugal family, because there will always be both the opportunity and the means of recovery ready to hand. They would have no tolls to pay out of the product of their labour, no taxes to increase the cost of living, so that all they could earn would be their own, and less would suffice to maintain them than is now necessary. When our boys and girls grow up there will be nothing to prevent them from marrying and setting

up in business for themselves. No young man need say, "I can't afford to keep a wife," and no young girl will allow his poverty to deter her from marrying the man she loves, for, when this policy is enforced, we will find that a brighter day has dawned at last, and that there is indeed "wealth for honest labour" in this "new and happy land." Seeing how easily he can provide every needful comfort for his wife and children, the honest lover will throw heart into his labour, and will not hesitate to take his bride as soon as he has earned enough to buy furniture for their home. He will face the future with a braver heart than we could have, because we never had anything but a shadowy hope to encourage us, instead of the assured confidence the "boy of the future" will have from his knowledge of the facts that his path to prosperity is clear, the products of his labour are all his own, and the tolls and taxes abolished that kill the enterprise and chill the courage of the youth of our own day, and filled their parents' hearts with anxiety because they knew not what to do with them.

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SUCH, then, is the system for which I ask your support in order that it may be realised with the least possible delay. It is for you to say whether it shall be done or not; whether our present blundering, irrational, and

destructive policy shall be given a longer lease to work greater mischief, or be replaced by a policy both rational and just; whether or not the choked springs shall be cleared, and the long pent-up flood of prosperity allowed to gush freely forth and cover the land with prosperity, and fill the homes of our people with comfort and happiness.

Before you decide let me point out that this is but the introduction of the beginning of a complete change of policy—a change that will ultimately sweep away all manner of taxes, fees, assessments, rates, and charges of every kind whatsoever which go to make up our present contributions to the public revenue, or to cover the expense of municipal government. All these will be swallowed up in the one tax I have endeavoured to set before you. In due course these reforms will follow; but the first and greatest reform, the abolition of taxes on goods and tolls on traffic, must first be realised before we take in hand the lesser ones. We must first remove the strangling grasp from the throat of enterprise, set free the industrial energies of our people, and adjust the land tax—the spur which will set us moving in the grand march of national progress, leaving smaller matters to be considered afterwards.

What say you then?

Shall we cry "Advance Australia" and raise the standard of Freedom, or shall we continue to present the marvellous spectacle of a people struggling forward

in fetters with which they have bound their own limbs, over obstacles they have themselves placed in their own path?

Shall we continue to provide, for future generations to wonder at, the stupendous puzzle of a people, wise in all other respects, but only to be compared with a family of ants in their knowledge of political economy?

Shall we always, as we do now, harness our team to the waggon of national progress, block the road with tolls, and screw down the brake of Custom House taxation, then crack our whips and shout "Gee!" expecting our team to step out briskly, and our waggon to move evenly along the blocked-up road?

Or shall we clear away the obstructive tolls, remove the retarding brake of taxation, and set our team in motion by applying the rational and sensible stimulus of a tax that will accelerate our progress?

It rests with you to decide.



