

sum of £2,040,446 per annum, is about \$2.00 per capita. With a similar ratio per capita, a Federal Land Tax in the United States should exceed \$200,000,000.

Shall we have long to wait till this country has a Federal Land Tax? Such a tax, as is well known, would not affect injuriously any productive activities, but would positively stimulate new and greater activities tending to the better use of land now inadequately developed or simply held for speculation.

It is true we have no land valuation covering the occupied area of the United States—an unpardonable omission in our fiscal administration. But, by applying the Australian system of sworn declaration by the owner under penalty of fine or expropriation, the whole valuation could be completed within three or four months.

However, while adopting for the purposes of speed the Australian system of arriving at a valuation adequate for fiscal purposes, we should not adopt the graduated or progressive assessment, with exemptions on holdings up to £5,000, favored by the Australian government. That form of assessment has been abandoned by New South Wales for the straight uniform tax on land values, whatever the size or value of the individual holding. Beyond a doubt, The Australian Federal Government will soon adopt the New South Wales model, which is indeed the model prevailing in this country, as being fairer and easier to apply.

## The Federal Land Tax of Australia

BY THE RT. HON. W. M. HUGHES, PREMIER OF AUSTRALIA  
(Reproduced from a series of articles contributed by him under the caption, "The Case for Labor," in the *Sydney Daily Telegraph*).

THE recent decision of the High Court in *Osborne v. Commonwealth* has completely settled all doubts as to the validity of the Federal Land Tax. The judgment was unanimous, and its terms such as to effectively discourage further attempts to upset the Act. It may be that some adventurous spirit will launch his barque upon the Constitutional ocean once more; but his voyage will be at best a mere island cruise. The Act is to stand. So much is certain. Even if one or more clauses should be held invalid they must by the terms of this judgment be severable. The principle of imposing taxation upon unimproved land values with exemptions up to £5,000 and a graduated rate of tax rising from 1d. in the pound when the unimproved value is £5,001 to 6d. in the pound when it is over £75,000, has been unanimously held by the High Court to be within the ambit of the Commonwealth power. This is a matter upon which we may well congratulate ourselves.

### OBJECTS OF FEDERAL LAND TAX

The object of the Act was twofold—to raise revenue and to induce large landowners to cut up their estates.

The plaintiff sought to show, *inter alia*, that the Act was only colorably a taxing measure and that its object was really to break up great estates. But this argument, as was inevitable, received short shrift from the court. The principle upon which the interpretation of statutes rests is perfectly clear and of the widest possible publication. The court in interpreting a statute is not concerned with the motives of the legislature in passing it, save as these may be set forth or plainly deduced from the Act itself. . . .

Looked at from any standpoint every citizen of the Commonwealth is entitled to be devoutly glad that our feet now seem set upon the right road. The prosperity and further development of the country depend almost entirely upon the increased area of land under cultivation, and the growth in the number of settlers engaged in cultivating it. And the national safety of Australia hangs upon the complete and speedy absorption of large numbers of suitable immigrants, who will cultivate our lands, rather than throng our already overcrowded cities, and upon the training of these, and of every adult male citizen in that primary duty of citizenship, the defence of his country. That is to say, our national safety and progress rest upon access to and cultivation of the land; and by no other means can we either maintain our national existence or develop this great country.

### THE DECLINE AND FALL OF ROME

The better to appreciate this great and vitally important truth, we may with advantage review a recent article in the *London Spectator*, in which those causes that led to the downfall of the Roman Empire, which the writer declares exist in the British Empire today, are dealt with. Let us briefly consider how far its conclusions are justified, and if so in what way, if any, we here in Australia, in common with the other portions of the mighty British Empire, may avoid the fate that overtook Rome. Summarized, the *Spectator* attributes the downfall of Rome to:

- (1) A declining birth rate and the dissolution of the marriage tie.
- (2) Overwhelming taxation, especially on land.
- (3) The introduction of a caste system through government action.
- (4) The attempt of the State to act as universal providence.
- (5) The endowment of idleness.
- (6) The neglect of national defence by the refusal to train the population to arms, and by reliance solely on a professional army. . . .

First, slavery was general. Practically, nearly all the manual work in the rural districts at all events was done by slaves. By the first century, B.C., says the *Spectator*, much of Italy was occupied only by vast grazing farms tended by half-wild, half-starved, wholly dangerous slave herdsmen! It had not always been so; in the days when Rome was in her prime, Italy was parcelled out into small holdings, owned, held and cultivated by that sturdy yeomanry who, trained to arms as well as to industrial labor, fought her battles, produced her wealth, and spread her glory throughout the known world. But gradually these men, for various causes, were driven from their farms and drifted into the cities. As there was no room for free labor,

they rapidly degenerated, and existed as practical paupers surrounded by social conditions of the most debasing and demoralizing kind. The most frightful immorality was rampant. The inhuman butcheries of the arena marked the depths of their moral degradation. Infanticide was fearfully common. The population dwindled in numbers, and degenerated physically and morally. Rome went down because of the failure of her crop of men.

"Even when later free labor did obtain opportunities for employment in place of slaves, a rigid caste system confined and crippled it. Pestilence devastated the land, civil war raged and decimated the population. The country was ground down by taxation, especially on land, becoming more severe as time went on."

Here we pause for a moment to summarize the facts. Great estates swallowed up the small holdings; grazing took the place of agriculture; slaves displaced free men. The small farmers therefore were driven into the cities, and as slave labor did all the work, the dispossessed small holders became pauperized, degenerate, brutalized. Slavery and land monopoly accomplished this between them.

#### SLAVERY AND LAND MONOPOLY

Slavery and land monopoly! And out of these two come frightful immorality, infanticide, inhuman butcheries to make a Roman holiday, degeneration and decay. A fine brood worthy of her dam and sire—transforming the descendants of the industrious yeomen who had fought for Rome into a race of pitiful and degenerate parasites unable either to do honest work or defend their own country. Not the lusty and virile barbarians that swept over Italy and brought the mighty Roman Empire to the dust, but slavery and land monopoly!

Does this strike home to us? Are we standing on firm ground or living like fools in a palace built on quicksand? Slavery, it is true, no longer exists; but land monopoly throws out her evil spawn as of yore. If there is a declining birth rate, if infanticide is too common, if the towns are overcrowded and the country deserted, if agriculture is neglected because grazing pays the great landowners best in these days, as in the evil days of Rome, if the people are unwilling or unfit to defend their country and leave this, the first and last duty of free men, to hirelings, what other cause than land monopoly is primarily to blame?

#### LAND TAXATION IN ROME

The attempt of the *Spectator* to attribute some of the responsibility to heavy land taxation is ludicrously futile. In the first place the so-called Land Tax was not upon unimproved land values, nor indeed upon the land at all, but upon the value of the annual product of the land! That is to say it was a tax upon production. The man who produced the most wealth paid the most tax, the man who produced least wealth paid least taxation, although he might own half the countryside! The modern system of Land Value Taxation upon which the Federal Land Tax is based is the complete opposite of such a system. Not the value of the wealth produced, but the value of the land

owned is the basis of taxation. The so-called Roman Land Tax was really a tax upon incomes derived from land.

The *Spectator*, in its desire to attribute the downfall of Rome to Land Value Taxation in order to help its Tory friends—who viewed the Lloyd-George Tax as the work of Satan—has over-reached itself. To prove this it is only necessary to point to a fact quoted in the article: That in the days of Valentinian III there remained only the great landowners and their slaves! The yeoman and middle classes had completely disappeared. It appears, then, that the so-called land tax had, so far from crushing the great landed proprietors, destroyed all except them and their slaves. The extent to which this had been done may be inferred from the fact that, while all beneath them were reduced to beggary, the incomes of the great landed nobles averaged £60,000, and were not seldom as high as £300,000 a year! As the *Spectator* admits, it is obvious that these great landed nobles evaded their obligations as much as possible. And to the very rich many things have in all ages, as in our own, been possible.

#### A WARNING TO OUR MODERN CIVILIZATION

Such was the condition of the Roman Empire in the days when wealth accumulated and men decayed. Great estates and slavery killed Rome. And these great estates dug their vampire bill deeper into the vitals of the nation. Slavery decayed, but land monopoly flourished to the end; flourished at the expense of the strength, virtue, courage, and character of the Roman people. Rome went down owing to the failure of her crop of men. Great estates were responsible for the failure of the crop.

How far is this a picture of our own times and our own country? A mighty outcry has been raised against the Federal Land Tax, because it is aimed at discouraging great estates. Yet by this means alone can national dishonor be avoided and our existence as a nation secured.

The exact figures have not yet been compiled, but it is, I think, within the mark to say that less than 3,000 people own one-half of the entire alienated land of Australia; that is, one-half of the most valuable portion of our heritage! If we are not to follow hot-foot in the steps of Rome and fall an easy prey to the virile nations that hunger for our magnificent inheritance, we must get the people on the land, and we must train all citizens to defend their country. In that way and that way alone, lies industrial, social, physical, moral and national safety. And the Federal Land Tax is making it possible for us to do these very things.

## The Single Tax Pacifists Have Their Say

EDITOR SINGLE TAX REVIEW:

The article headed "Single Tax Pacifists" in the January-February SINGLE TAX REVIEW ought not to pass unnoticed by the non-resistant Single Taxers whose existence it denies. We presumed that the grounds of our opposition to war were known to our friends, since we have stated them as clearly as our command of language permitted.