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OUR FINANCIAL AND ECONOMIC  
POSITION.

SPEECH by Mr. E. J. CRAIGIE, M.P.

In the House of Assembly.

[From *Hansard*, June 10th and 11th, 1930.]

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their numerical strength. The true democrat is willing at all times to concede to other members of society the same measure of representation for their views in Parliament as he claims for his own. If supporters of the Government are not prepared to do that they are masquerading as democrats without being democrats in fact. The only known system of voting that will ring true to the principles of democracy is proportional representation.

The Attorney-General—On equal electorates.

Mr. CRAIGIE—I certainly stand for equal electorates. I do not ask, as some members do, that there shall be a differentiation between country and metropolitan representation.

Mr. A. A. Edwards—We should never have lost you, John.

Mr. CRAIGIE—You would not have lost me if you had remained true to your principles. When it came to a question of sacrificing my principles I preferred to leave the party and remain true to my principles. Proportional representation would give to all sections of political thought the measure of representation they are justly entitled to, and it would at all times provide for majority rule and yet give representation to minorities that are disfranchised under the other system. Surely we all believe in the true representation of the people. It is not a question of a man's political colour. Each of us is a member of society and must live under the laws placed on the Statute Book and pay the taxation imposed by Parliament. Therefore justice decrees that every individual shall have an equal voice in deciding what laws be passed and what taxation imposed. No system given to the world, outside proportional representation, produces that desirable result. I know that proportional representation is not favored by the underground engineers of political parties, because it obviates the preliminary plebiscite and takes the power of selection out of the hands of the party managers and places it in the hands of the people. Who can gainsay that the people shall have full control? Proportional representation gives the electors that right. In addition the candidates for Parliamentary honors are given freer expression of thought and action under proportional representation, because they do not have to consider whether their views coincide with those of the party string pullers. They know that so long as their views are in accord with those of their quota of electors they will retain their seat in Parliament. Under the present party system, accompanied by plebiscite selection, many good

men inside parties are kept out of Parliament because they will not feed out of the hands of the political wire pullers. They can be found in both big political parties. If we carry our minds back a few years in connection with Federal elections we find a distinguished statesman like Sir Josiah Symon discarded as a party nominee, simply because he was not prepared to bow down to the wishes of those who controlled the Liberal Union. Although Sir Josiah ran as an Independent candidate against the Liberal Party nominees he was defeated and a lesser light elected. Under proportional representation men of the stamp of Sir Josiah Symon would not be lost to Parliament. A bad principle was introduced into the last Electoral Act, when candidates were obliged to deposit £25 with the Returning Officer, before being allowed to start in the Parliamentary race.

Mr. Cameron—And they got back £24 19s. 6d.

Mr. CRAIGIE—Less postage. Every elector should have the same right to offer his services to the electors, and it should be left to the people to decide upon their Parliamentary representation. Where a deposit of £25 is demanded the choice of the electors is limited. The Party candidates know that their deposits will be returned, but Independent men and women, who desire to offer their services are not certain that they will not lose the £25, and therefore may be deterred from contesting. It is generally understood that the object of the provision was to restrict competition. I am opposed to the principle of compulsory voting, which it is suggested to incorporate in the electoral system.

Mr. Reidy —That is where you have slipped a bit.

Mr. CRAIGIE—No. I have no hesitation in saying that any member of Parliament who supports the principle of compulsory voting is advertising to the world that his policy has not sufficient drawing power to induce the people to record their votes. Experience has proved that although the electors can be forced to attend the polling booth there is nothing to compel them to vote so long as there is a secret ballot. The Federal elections proved this. There can be no doubt that the large number of informal votes recorded at the Federal elections is due to the fact that many voters do not consider that they can support the policy of any party man.

Mr. Reidy—The highest percentage of informal votes was at the last State elections, at which compulsory voting did not operate.

Mr. CRAIGIE—That was due to the hybrid scheme of preferential voting. A big percentage of the electors did not understand the system. I am pleased to say that the lowest percentage of informal votes was recorded in Flinders. This was partly due to the fact that the system was thoroughly explained to the electors by the candidates, but another reason is that the people of Flinders are of high intelligence. The Governor's Speech also refers to the railways question. We all know that the railways of South Australia are in a very bad way. This Commission has been appointed to consider ways and means, and endeavor to try to see if these deficits we have been experiencing for a number of years cannot be turned into a profit in the days to come. The financial policy of the railways is altogether wrong. Up to the present we have spent £27,457,000 in South Australia in building a network of railways, most of them converging on North Terrace. Each year the users of the railways have to contribute £1,366,507 as interest on the capital cost of the construction. The greater proportion of the interest is now contributed mainly by the country producers, because when the country producer sends his produce from his farm to the seaboard or the city he pays the rail freights down. When he gets his super, cornsacks, machinery, and general stores back to the farm he also is compelled to pay the rail freights back. The man in the country pays rail freights both ways; therefore he is contributing a greater proportion of the interest bill, because interest to-day is fixed in the freights and fares. The spending of this huge amount on the building of our railways has given an added value to the land, not only in the country through which the railways pass, but more particularly in the metropolitan area, because of the concentration of most of the railway systems on North Terrace. Although the landowners in the metropolitan area have a great increment in value because of this public expenditure, under our present system of financing the railways they are paying a very little indeed as interest on the capital cost. My suggestion is, in the future let the Railways Commissioner fix freights and fares at a sum sufficient to pay the cost of the service rendered in taking the produce to and from market, and make the interest at present levied a charge on the unimproved values of land, which has arisen because of the amount spent on railway

construction. If that was done, rail freights and fares could be reduced by at least 30 per cent., to the great advantage of country producers.

Mr. Reidy—We are not paying working expenses now.

Mr. CRAIGIE—Quite so, but under our present system of fixing freights and fares at a very high figure we are doing everything possible to discourage the use of railways. If we lowered freights and fares, as suggested, and made the interest up from the land values which arise because of money spent on railway construction, then we would encourage people to utilise the railways to a greater extent and there would be additional advantages, inasmuch as the collection of the rental value of the land to pay that amount would have the effect of forcing into use land adjacent to railways which is now held for speculative purposes or not adequately used, and through the forcing of this land into use additional freights and fares would be obtained. From time to time the Railways Standing Committee reported in regard to this matter. When he was Chairman of that Committee Mr. Reidy took a great interest in this question. In reporting to this House in reference to a proposed line to Wanbi he said it was very essential that the line should be constructed to serve the settlers who were forced to go outback. He also indicated that three landholders in the vicinity of where the line was to be built held 90,000 acres, and that if the line were constructed it would have the effect of adding £1 an acre to the value of the land. Seeing we have the assurance that the expenditure of public money on the construction of a railway has the effect of giving an added value of £60,000 or £90,000 to the land in that locality, in accord with the principles of justice we should take for the public these land values which have been created by public expenditure.

Mr. Reidy—In the last three years these same lands have had no value.

Mr. CRAIGIE—Then naturally they would not contribute anything to taxation under the scheme I am suggesting and would not be a burden to those holding the land. If you were to ask the people in possession of those lands to-day to part with them on a no-value basis you would meet with a considerable amount of opposition. It seems that if we are going to have any true reform at all of the railway policy it will be the duty of the Government

things if we are prepared to face it in a straightforward manner.

Mr. Reidy—If you can solve it you are a wonder man.

Mr. CRAIGIE—There is an old proverb to the effect that the day of wonders is not yet past and perhaps when I have finished my remarks the honorable member will admit that the problem is not quite so difficult as he anticipated. The object of employment on the part of every individual is to satisfy his needs in the way of food, clothing, and shelter. If we study this particular subject we will find that all the things we are in need of in the way of food, clothing and shelter can only be obtained from the land. We have in Australia an abundance of land. We also have an abundance of labor; and yet we are faced with the fact that while on the one hand we have idle lands, on the other we have idle hands. It seems to me that instead of advocating palliatives, as has been done in days gone by, we need—

The Commissioner of Public Works—Socialism?

Mr. CRAIGIE—If you want my views on that—Socialism, if it is possible to put it into effect, would mean greater tyranny, more corruption, and a greater unequal distribution of wealth than obtain under the conditions in which we are living to-day. To solve the question of unemployment, we have to bring the idle lands and the idle hands together, and there is only one way by which that can be done. That is by calling upon every individual who is in possession of any portion of the world's surface to pay the rental value of that land into the public treasury.

Mr. Reidy—You would not get much this year.

Mr. CRAIGIE—I would remind the honorable member that we have over £95,000,000 worth of unimproved land values in the State to draw upon, and though some of the occupiers of land may, because of drought conditions, be unable to contribute much this year, that is not due so much to the drought as to the policy in the past which has taken from them so much of the product of their labor that immediately they get one dry season they have to seek assistance from the Government.

Mr. Reidy—You would exempt everyone else and make the farmer carry the burden?

Mr. CRAIGIE—If Mr. Reidy can tell me how it is possible for an individual to exist with-

out having access to the land I shall be very pleased to hear him. Some people seem to be of opinion that unless a man is engaged in agricultural or pastoral pursuits he is not on the land at all. They fail to see that the man in the metropolitan area is just as much dependent on the land as is the farmer. The house he lives in is land changed into another form. The machinery for a factory and the raw material used, all come from mother earth. Seeing that everyone uses land to a greater or lesser degree it would not be possible for anyone to escape from paying his just due to the cost of government were the policy I advocate put into effect. Further, if we took the rental value of land and used it to pay the cost of government, the land now lying idle would be utilised. As it is at present a large number of people who desire to go on the land cannot do so because no land is available for them. If all those seeking land could get possession of it, we would for every man engaged in primary production, want three persons to minister to their wants. Consequently by opening up the land it would be quite an easy matter to solve the problem of unemployment. But immediately this is advocated we find the question of vested interests comes into the matter.

Mr. Reidy—We cannot control the tariff.

Mr. CRAIGIE—I am not suggesting that it is within the jurisdiction of this House to control the tariff, but I am suggesting that it does come within the ambit of State politics for the Government to take the unimproved values of land created by the public for the benefit of the public. That solution is the only practical solution for bringing the idle lands and idle hands together. All the other schemes which have been tried have proved ineffective. All the proposals put forward to borrow millions of pounds for the purpose of creating public work, though they may give a measure of temporary relief in providing additional work for the time being, will do no permanent good, because once the public works are completed we shall have the unemployed problem again. There is another disadvantage connected with the expenditure of loan money. Where you expend loan money on public works the effect of that expenditure is to still further inflate the values of land in the locality where the expenditure has taken place; secondly, every loan floated means an added interest bill. That bill can only be paid out of production, so you

have a system of inequality at work on a scheme of that kind increasing taxation, making the condition of the wealth producer worse and gradually improving the position of the land holding class through the additional increment on land values which take place because of the expenditure.

Mr. Reidy—Why was it necessary if they had all these advantages to issue three-quarters of a million pounds for the relief of farmers this year?

Mr. CRAIGIE—Because conditions have been bad through the drought and because in the past, although the farmer has produced a considerable quantity of wheat, he has had to pay out a good deal of money and has not been able to retain the product of his labor for his own advantage. Owing to the indirect system of collecting revenue in Australia, in the years of plenty the farmer has been compelled to hand over so much of the product of his work in direct and indirect taxation that he has not been able to set aside any sum which would tide him over the dry period when it came along. If in a year of plenty you take from a farmer that which he has produced, naturally when a dry period comes and he has no return for his labor he at once becomes a charge upon the community. That is the system which is killing production in Australia.

Mr. Reidy—How would he meet the charges on his land in those years if your system were adopted?

Mr. CRAIGIE—The man on the land is not only the primary producer. He is the man in King William Street, Rundle Street, and many of our business centres. The idea that the farmer is the man who carries the burden of land values taxation is one which I thought was exploded years ago in the mind of every individual who had taken the trouble to make himself conversant with the position.

Mr. Reidy—We heard of all these theories years ago, and have lived to learn from practice that they are foolish.

Mr. CRAIGIE—It would be well for the honorable member to look at the practice once more and find out what the position really is. He will find that one acre of land at the corner of King William and Rundle Streets, which is not usually regarded as farming land, is paying under the land values system £337 a year more in land values taxation than is paid by 72,960 acres of the most valuable agricultural land on the West Coast. Therefore, the assumption

that is made by some of my friends on the Opposition benches that land values taxation will press severely upon the farming community is one which will not stand logical investigation. If members were prepared to go into their constituencies and tell people the facts of land values taxation, and not try to frighten them by saying, when taxation has gone up a farthing, that it has increased 100 per cent., because 100 per cent. sounds a lot more than a farthing, they would come back with increased support from their constituents. If they indicated that they wanted revenue to be raised along that line the farmers would know the facts, and would return members to this House in the same manner as the farmers on Eyre Peninsula have returned me. When I conducted my election campaign there I did not hide my light regarding land values taxation behind a bushel. I displayed it at every opportunity. If it were possible for me to be a Mussolini in Australia I would take the whole of the rental values of land into the public treasury.

Mr. Reidy—You were wise to choose a district where the unimproved values were about 7s. 6d. an acre.

Mr. CRAIGIE—I would advise my friend to go to a gentleman who owns a considerable quantity of the 72,960 acres I mentioned in the hundred of Yaranyacka, in the district council of Tumby Bay, where they reaped 40 bushels of wheat an acre last year, offer him 7s. 6d. unimproved value for his land, and see what reception he would get.

Mr. Giles—What is the difference in the proportion of land tax paid in the city and in the country?

Mr. CRAIGIE—I will not give the honorable member the actual amounts of tax paid, but I will give him the values. The towns in corporations in South Australia total £23,017,000; towns in district councils, £9,510,000; towns outside corporations, £29,000; total of land values in the towns of South Australia, £32,557,000. The total values of the section lots amount to £62,538,000.

Mr. Giles—Two to one.

Mr. CRAIGIE—Yes, but let us examine the values of land, and see if there would be undue pressure brought upon the farmers. In the city of Adelaide we have 1,042 acres assessed for land values taxation at an average value of £12,949 an acre. In the metropolitan area we have 156,274 acres assessed for taxation at an average value of £187 an acre. In the rural

areas we have 120,189,000 acres assessed at an average value of 11s. 1d. an acre. Although the actual unimproved value of land in the rural sections is double what it is in the town areas, we must not overlook the fact that in one case we are dealing with 120,000,000 acres as against about 160,000 acres in the metropolitan area. It is fair to ask those people who enjoy the greatest amount of values to pay the greatest amount into the public treasuries.

The Commissioner of Crown Lands—There is nothing wrong with that.

Mr. CRAIGIE—And it is a principle which should be put into operation at the earliest opportunity. When I am urging taxation on the unimproved value of land as a means of raising revenue I am not suggesting that it shall be imposed as an additional tax, but as a tax in lieu of some of the imposts levied upon industry at present. I put it forward at this juncture as a means of forcing into use land which is now held for speculative purposes as being the only practical solution of the unemployed problem.

The Commissioner of Public Works—We will go a long way with you.

Mr. CRAIGIE—I am pleased to have that assurance. I hope the Government will realise the responsibilities of their position, that the old measures which have been tried for many years have failed miserably, and that some new idea will have to be put before the public if we are going to get any real social reform. I ask leave to continue my remarks.

Leave granted; adjourned debate made an Order of the Day for June 11.

Mr. CRAIGIE—I propose to deal with the financial and economic position of the country and show where the policies of the past have brought us. With regard to the question of taxation we all realize that very few people care to be taxed if they can possibly avoid it, but unfortunately in the last few years that has been a very difficult task. If we carry our minds back to the three-year period from 1921 to 1924 we will remember that the Liberal Government occupying the Treasury benches at that period extracted from the pockets of the people £5,437,072 in taxation. In 1924 the members of the Labor Party on their hustings campaign declared that if they were returned to power they would lower taxation and make conditions generally better for the people. The official records show that where the Liberal

Party collected £5,437,072, the Labor Party during its three years' term of office increased it to £7,749,445.

Mr. McHugh—What authority have you for saying we promised to lower taxation?

Mr. CRAIGIE—I have the authority of the printed statements issued and the utterances of the Labor candidates of that period. If the Labor candidates were speaking contrary to what they intended to do, they were endeavoring to work a confidence trick on the public, and that certainly should not receive the approval of intelligent electors. Then we come to the election campaign in 1927. Here, again, we remember the promises made by the present Leader of the Opposition that if the Liberal Party were returned to power—

Mr. Butler—That is not correct.

Mr. CRAIGIE—We all know that the printed matter which appeared in the daily press at that time clearly indicated that a return to power on the part of the Liberal organisation, coupled with the Country Party, would mean lower taxation for the people of this State.

Mr. Hudd—Eventually.

Mr. CRAIGIE—There was no "eventually" stated in the printed matter, and it was not thought that the Liberal Government would occupy the Treasury benches for three years and not give effect to their proposals.

Mr. Butler—That is your imagination.

Mr. CRAIGIE—Unfortunately, the imagination of the public is not very vivid at times. They have a tendency to accept statements of candidates at their face value, but as they grow older they learn that such statements are not to be taken as they are uttered.

Mr. Beidy—What about the promises you made?

Mr. CRAIGIE—I was very careful not to make any promises and therefore I am not anticipating I will have any sins to answer for in that respect. Where Labor took £7,749,445, during the three years just completed the Liberal Government will have taken no less than £11,569,018 out of the pockets of the people. If we express this taxation at per head of the population we find that during the period 1921-24 the taxation levied amounted to £3 10s., but that for the subsequent three-year period it was increased to £5 10s. Unfortunately, instead of taking the revenue from its natural source, a heavy burden of taxation has been imposed on the industry of the people. For the

financial year ending June 30, 1929, we find that £3,191,997 was raised by taxation from all sources, and of that amount only £452,994 was taken from the unimproved value of land, whilst the balance represented taxation levied upon the industry of our wealth producers.

Mr. McIntosh—You do not consider that the land tax is levied on wealth producers?

Mr. CRAIGIE—The land tax, as all political economists at least understand, is taken from values that arise because of the collective efforts of the community. Other people can state the facts in a careless manner if they so desire, but I am endeavoring to confine myself to the truth. Taxation has grown very considerably in recent years. We all remember that when Federation was being suggested one of the promises given in support of the Federal idea was that it would mean a lower cost of State government, and also a lowering of State taxation. It is interesting to see whether this promise has been fulfilled. In 1901 there was collected in taxation from all sources in South Australia £248,127. Last year we collected in taxation in this State £3,191,997. If we express this taxation at per head of the population we find that in 1901 it amounted to 14s. 8d. per head, compared with £5 10s. per head last year, and this despite the fact that we were assured that with the advent of Federation taxation would be much lower. It is interesting also to study the incidence of taxation. In 1901 land taxation amounted to 4s. 3d. per head of the population. By 1927 it had increased to 15s. 7d. per head, but when we take the income tax we find that it has increased from 4s. 6d. per head in 1901, the first year of Federation, to no less than £5 10s. per head during the last financial year. This shows very clearly indeed that those invested with the reins of Government in the past have had a very kind consideration for the landholding class, and not much consideration for the people who do useful work in society and are responsible for the production of wealth. If we carry our minds back to February of this year, just prior to the election campaign, we will remember that the Leader of the Opposition was at that time engaged in writing a series of articles which appeared in the columns of the "Advertiser." We were informed then by him that the finances of the State were on a sound basis. Let us examine the position and see if they were. We remember that

in this year the interest paid on our national debt amounted to £4,390,050. In other words the amount we paid as interest was £1,200,000 in excess of the total taxation obtained in South Australia from all sources. If the honorable member were conducting a business, and his interest obligations were £1,200,000 in excess of his income, would he regard his business as being on a sound basis or would he not rather think he was heading straight for the Insolvency Court? That is where we find ourselves to-day. In regard to the national debt a similar increase has taken place. In 1921 the public debt of South Australia amounted to £97 12s. 7d. per head. By 1929 it had grown to £162 13s. 6d. a head. Naturally if you increase your indebtedness you must also increase your interest obligations. The interest per head in South Australia has increased from £3 14s. 5d. in 1921 to £3 3s. 11d. for the last financial year. Just as in the State arena there has been a big advance in taxation so there has been in the Federal arena. Whereas we were satisfied with a total revenue of £8,894,319 in 1901-2, last year no less than £36,303,489 was taken out of the pockets of the wealth producers. The unfortunate part of it is that the greater portion of that huge burden was levied in an indirect manner upon the machines of production and the necessities of the community. Although we have heard during this debate that the policy of protection is beneficial to society, the facts are altogether opposed to that contention. We deplore the fact that we have in our midst a considerable amount of unemployment, and all sorts of palliatives have been suggested to give relief, but if we are to deal with the cause of the trouble this House must use its influence and urge that this high tariff of Australia be reduced at the earliest opportunity. I will show what has taken place in relation to the industries of the country under this system, particularly the mining industry, because it is in the great primary industries of Australia upon which the financial wellbeing of the country depends where we find the greatest evil effect of the tariff shown. In 1901 the gold production of Australia was £14,017,538. By 1929 it had been reduced to £1,807,411. In 1901 we produced 48,795 tons of copper, valued at £2,215,431, whereas in 1927, the latest year from which I have been able to get complete figures, it had been reduced to 10,132 tons.

valued at £607,038. This diminished output of gold and copper is due, not to the fact that the mineral resources of Australia are being exhausted, but to the fact that the cost of production has been altogether too high to permit of the profitable working of the lower-grade mines. I want to show how this high tariff policy operates to disturb the natural relationship existing between one form of wealth and another. If we take, for example, the gold mining industry and cut out the idea of money tokens altogether, we can see the evil effects of some of our legislation much more clearly than when money tokens are used. Supposing a mining company is anxious to get £1,000 worth of machinery and gold is selling at £4 an ounce, it will merely exchange 250 ounces of gold to get the machinery required, that is assuming that we have a free trade policy in operation in the Commonwealth, but owing to the fact that we have decided to go in for a policy of high protection a tariff tax of 50 per cent. is imposed on machinery, and instead of that mining company being compelled to give 250 ounces of gold it is now compelled to give 375 ounces in order to procure the same amount of machinery. Apply that line of reasoning to all explosives, timber, and general stores used in the mining industry and you immediately begin to see the evil effect of the tariff so far as mining operations are concerned.

Mr. Fitzgerald—You only want to go one step further and get the niggers here and there will be no work at all for our miners.

Mr. CRAIGIE—It seems to me that the nigger is in a better position than many of our white niggers at the present time. I have not heard of the nigger sleeping on the banks of the Torrens and I have not heard of one nigger paying rent to another nigger for permission to use the earth, that particular privilege being reserved for the white man, who is supposed to be civilised and to enjoy an advantage over his dark-skinned brethren. Let us now see how this position affects the gold or copper miner. Actually if there were no money used in social service each miner would take away with him at the end of the day so much of the gold as representing the wages of his labor, and for the purpose of my illustration I am going to assume that a miner is entitled to 60 ounces of gold per annum as a reward for the exertion he puts forth in the industry.

Therefore, with gold selling at £4 an ounce that man is receiving an annual wage of £240, but when he goes to spend that £240 he is not able to buy the requirements to meet his needs as he would under free trade conditions. He is compelled to buy them here in a closed market where things are made artificially dear owing to the high protectionist policy, and with the purchasing power of his pound reduced to 10s., the actual effective wage of the worker is £120 per annum and not the £240 it appears to be. What has happened in the past is that miners have felt their wages to be insufficient to give them the necessaries of life, and they have gone to the mining companies and demanded an increase. In many cases the companies have said they are not in a position to give the increase asked for and that statement has been perfectly true. Instead of the miners and the owners of the mines fighting each other as they have been doing in the past and allowing the industry to go out of existence altogether, they should have seen that their interests are identical, have joined hands, and gone along to the Federal Parliament demanding a revision of the tariff taxation which has had such a detrimental effect on the industry. Had they done that quite a number of low grade propositions which to-day are closed down because it does not pay to work them would still have continued to produce. Statistics show that in 1901, 113,462 miners were employed in Australia. In 1927 the number had dropped to 52,332. The miners, who have not been able to follow their usual avocation, have become competitors in an already overcrowded labor market for the jobs offering and the inevitable effect has been to bring about disaster so far as the mass of mankind is concerned. I cannot understand any organisation, which claims to represent the interests of labor, supporting a policy of protection because, as that great statesman, the late Daniel O'Connell, said, "Protection is a system which provides for the robbery of the poor for the benefit of the rich." It is a system that should be abolished at the earliest opportunity. I was very surprised to hear Mr. Thompson say that he favored a policy of protection. He represents a waterside electorate and his constituents get their livelihood from the ships that enter and leave Port Adelaide, yet the policy of protection that Mr. Thompson supports is designed for the express purpose of preventing imports. Naturally if you stop the flow of imports you stop exports and throw out

of employment the very men the member for Port Adelaide claims to represent.

Mr. Thompson—They can work on a cargo from Sydney just as they can work on a cargo from London.

Mr. CRAIGIE—It is not a question of whether the cargo comes from Sydney or London. The point is that the tariff policy is detrimental to the interests of the waterside workers.

Mr. Butler—It might provide other avenues of employment.

Mr. CRAIGIE—It might, but if the Leader of the Opposition studies the unemployment statistics for the past 15 months he will see that protection has not had the effect of opening up other avenues of employment. He will see that for the first quarter of 1929 the unemployment figure was 9.3 per cent., and that it rose to 14.6 per cent. for the first quarter of 1930. That indicates very clearly that the other avenues of employment which were expected to come into existence under a high protection tariff have not materialised.

Mr. Anthony—England is faced with grave unemployment under free trade.

Mr. CRAIGIE—England has never been a free trade country. She has always been a revenue tariff country. Before the war England collected £70,000,000 per annum from customs and excise duties, and since the war the amount has increased to £200,000,000. You cannot put a free trade policy into practical operation until you free the land that is the source of production. Before you can trade you must have something to trade with. Before you can have something to trade with you must produce it, and before you can produce it you must get access to the land, which is the only source from which production springs. As the land in England is locked against those who desire to use it, you cannot possibly say that free trade operates in England. For the benefit of Mr. Thompson I shall quote from the "Canberra Times" a statement made by Mr. W. J. Mills, the Vigilance Officer of the Watersiders Workers' Federation. He said:—

Thousands of workers of the Federation are unable to get employment owing to the protection policy of the Federal Government and the general depression.

In a letter to the Prime Minister, Mr. Scullin, Mr. Mills declared that the position was deplorable. Many members of the Waterside Workers' Federation with their families were on the

verge of starvation, and eviction from houses had been threatened owing to tenants' inability to pay their rent. He added that many overseas vessels were arriving in Sydney practically empty, resulting in there being no work for many men who had been employed on the waterfront all their lives. That statement was not made by a person biased against a Labor Government, but by the Vigilance Officer of the Waterside Workers' Federation. If you are going to have a tariff to stop goods from coming into Australia that same tariff must of necessity prevent goods from going out of Australia, and the resultant business conditions must be very bad indeed.

Mr. Reidy—Broadly speaking, you think it better to employ men in another country than in our own?

Mr. CRAIGIE—Broadly speaking, I can make my own speech without the assistance of the member for Victoria. When I desire his help I shall call upon him, but in the meantime I shall not permit him to put words into my mouth that I have no desire to utter. What is the effect of the high tariff policy of Australia? We find it has brought another evil in our midst in the shape of the Arbitration Court, which was created for the purpose of increasing the wages of labor. As a means of raising wages the Arbitration Court is one of the biggest confidence tricks that have been played upon the workers of this or any other country where it has been tried. All that can be done by means of an Arbitration Court is to increase the money tokens paid by an individual, but Arbitration Courts cannot do anything to benefit the conditions of one section of the workers without making another section suffer great disadvantage thereby. Certain trades unions and representatives of the people are all standing for a very high rate of pay. I believe that the workers at all times should get the full product of the wealth their labor creates. No man should be satisfied with less and no man should ask for more. What is the position to-day? We have to realise that despite all the Arbitration Court awards and determinations made by tribunals appointed for the purpose of fixing wages, there is only one source from which wages can come, that is the wealth production of Australia. It is very interesting to take the figures of production and see just where we are going. In 1925 the

total wealth production of all industries in the Commonwealth was £454,105,000. In 1928 it was £453,311,000. If we look at the figures per head of population we find that the production was £77 6s. 3d. per head in 1925 compared with £72 14s. 3d. in 1928. The only two industries which show an increase in production value are dairying and manufacturing. However, we have to recognise the fact that there is an inflation of values in dairying and manufacturing owing to the tariff protection enjoyed by both of them. The value of production in 1925 was ahead of that of 1928. If members will work out the figures I have quoted they will see that the production of wealth in primary and secondary industries is less than 28s. per head per week of our population. Federal and State taxation takes £85,000,000 annually, representing 18.75 per cent. of the gross wealth produced in this community, or nearly £1 out of every £5 produced, independent of municipal taxation. If we deduct all taxation required for various public services we find that this works out at approximately 10s. a week, leaving a net production of 18s. a week for the people. The voting strength of the people in the Commonwealth is approximately 3,750,000 out of a population of 6,200,000. If we assume that 3,000,000 of this number are male and female workers, recognising that the basic wage for men is £4 5s. per week, and that female workers do not get as much as men, and receive an average of £3 a week, this means £9,000,000 weekly, or a total of £468,000,000 a year. The gross production of wealth for 1928 was £453,311,000, which leaves a deficit of £14,689,000. Unless there is an increase in the production of wealth there certainly cannot be anything at all in the way of an increased wage for the workers. Wherever you reduce your production you of necessity reduce wages. Certainly some people may be in the fortunate position, because of the privileges they receive, of enjoying a higher wage than what they actually produce. One member spoke yesterday of single tax in a sort of slighting manner, as if single tax was something which was not really worthy of consideration.

Mr. Cooke—Something up in the clouds.

Mr. CRAIGIE—We have our feet firmly planted on the ground. The voters of Flinders have sent me here to voice a protest against

the established order of things, and I am going to carry out that wish. As I cannot divide my party up into sections, as other parties can, a greater duty evolves on me as compared with if I could have the subject divided into watertight compartments. In the words of W. S. Gilbert:—

I am the cook and the captain bold,  
And the mate of the Nancy brig,  
And the bosun tight and the midshipmite,  
And crew of the captain's gig.

In case it is thought that single tax is something entirely foreign let me quote the following statement which should carry weight with fair-minded individuals. This authority says:—

There have been economists of great repute who in their pretension to be scientific have ignored the most significant elements in human nature. There have been others who were emotionally stirred by social ills and who proposed glowing schemes of betterment, but who passed lightly over facts. It is the thorough fusion of insight into actual facts and forces, with recognition of their bearing upon what makes human life worth living, that constitutes Henry George one of the world's great social philosophers.

That is a statement by Professor John Dewey, one of the greatest social philosophers of the world at present. He pointed out that Henry George was one of the world's greatest philosophers and his statement should carry some weight with people.

The Attorney-General—Was the author a single taxer?

Mr. CRAIGIE—He is very sympathetic towards Henry George ideals. He regards the single taxing system as the one system which will make this world a place really worth living in. There are certain advantages associated with changing the incidence of taxation, removing taxation from industry, and collecting it from the unimproved values of land. I have had many requests from members to outline the reasons why we believe our policy to be just, and I ask the indulgence of the House whilst I give them some information which may prove beneficial to them. In the first place collecting revenue from the unimproved values of land provides a cheap and easy method of collection.

Mr. Pattinson—What do you call unimproved values.

Mr. CRAIGIE—You will find a very excellent definition in the Land Taxation Act of South Australia.

Mr. Pattinson—I disagree with you.

Mr. CRAIGIE—That is why you are here. Although you disagree it is for you to show that that definition is not a good one. I pointed out that under the present system of collecting taxation heavy burdens are thrown on the people. Take our income tax for instance. Although you find many people in political life who say they believe in income tax it is a generally recognised principle that almost every taxpayer, to the very best of his ability, tries to evade the payment of portion of his income tax. This income tax is a thing of a most inquisitorial nature compelling individuals to reveal their private financial affairs to Government officials who certainly have no right to know anything about them. Again it means the employment of big staffs to see that the returns sent in are correct. The form of return is a very complex and cumbersome one, frequently necessitating the payment of a fee to a taxation expert to see that not too much is put in the return. Under the scheme we suggest there would be no need to levy taxation of that kind and, apart from the fiscal value of the reform we indicate, it would have a great moral value. If members had had the opportunity I have had of going through the rural districts at the period when income tax returns are due, and had seen some of the farmers wrestling with the hundred and one questions put to them in that return, they would find the language used in some cases to be such as is not found in the ordinary dictionary, therefore, from the standpoint of morality alone it would be a good thing to abolish the income tax. Further why should a man who prefers using a motor car as compared with a horse drawn vehicle be penalised by the excessive burden of taxation imposed upon him? Why, when a man wishes to transfer property, should he be compelled to pay a stamp tax of £1 for each £100 value? When a poor unfortunate is compelled to negotiate a mortgage why should he be compelled to pay stamp tax on that mortgage? Then again when people desire a little amusement in these days of stress, why should they be compelled to pay the amusement tax which we were told was levied merely as a war measure? All these forms of taxation could be abolished, and, while there is a good deal of talk on both sides about the need for reducing the cost of government and expenditure generally, we do not find one practicable proposal put forward. So long as we retain our present system of collecting revenue so long will we

have all these Government departments which do not perform any useful service, but when we change the incidence of taxation the hundreds of people engaged in them can be removed to some form of productivity and the burden placed on the people through taxation can be removed. We claim that the introduction of this system would simplify government and very considerably reduce its cost. A tax on the unimproved value of land could not be evaded because land is always out of doors, and its value can be easily ascertained, whereas as regards other forms of taxation, it is quite easy to evade payment.

Mr. Anthony—What about the language which would be used if your system were adopted?

Mr. CRAIGIE—If members of the Opposition would take their courage in their hands, make a thorough investigation of the land position, and tell their constituents how land taxation would apply, the language they would receive would be a blessing to them and they would come back here in greater force than ever. The Liberal Party of Great Britain stands for the taxation of the unimproved value of land, and it would be well for the Liberal Party of South Australia to take a leaf out of the book of the Liberal Party of Great Britain and adopt a similar method. A statement has been made that the values of land will not provide a sufficient fund to meet the needs of government. I want to show how land values have grown, and also to show who has received the benefit of those values due to the efforts of the community. Those of us who are conversant with South Australian history know that when this colony was founded in 1837, land orders were sold for £81 each, and under the original proposal any person who bought one was to get an 80-acre section in the country, and one acre in Adelaide. It was a condition of the agreement that £30,000 worth of land values had to be sold before the colony could be established, and as not sufficient private individuals came forward, that philanthropic institution the South Australian Land Company, headed by Mr. George Fife Angas, came into existence, and they took up land on the understanding that the price would be reduced, and it was then agreed that any person should receive 134 acres of land in the country and one acre in the city for £81 cash. The total sum realised for the site of the city of Adelaide was £3,944 16s., and that same land which then

realised less than £4,000 is valued for taxation purposes to-day at £12,555,398. If we take one acre at the Beehive Corner, the Government received 12s. for that acre of land, but its unimproved value for land taxation purposes to-day is £235,960. Did South Australia get the advantage of that great increase in value? The position is this. Some little time ago a piece of land in Rundle Street was sold, and realised under the hammer £1,450 per foot. I was anxious to get the particulars regarding that piece of land, so I paid the search fee and searched the title in the Lands Title Office. I found that it was portion of four acres of land bought by a man named Thorngate, who resided in Sussex, England. I found when searching that for the expenditure of £324, this man's family had been enabled to take a considerable amount of wealth out of South Australia. My search revealed that all buildings placed on that land had been placed there free of expense to the owners of the land, and that there was a condition in the lease stipulating that all rates and taxes should be paid by the lessee, who also had to keep the buildings in good repair and hand the land back to the owner without any compensation for the improvements put thereon. Further, I found that for the initial expenditure of £324, this absentee family had up to 1925, when I made the search, been able to take away from South Australia, as rents and sales of portion of the land, £723,000, and that the value of the balance of the land not sold amounted at that time to £220,000. There you find that for the expenditure of £324 an absentee family had been able to take practically £1,000,000 worth of wealth from South Australia owing to the increase in the unimproved value of the land. Further, I am given to understand that from the time these land orders were sold in Great Britain in 1837 up to the time of my search, not one member of that family had placed a foot in South Australia. While that family did not, therefore, do anything to produce this wealth, it is obvious that some other people had produced £1,000,000 of wealth, and had been robbed of the fruits of their labor.

The Attorney-General—You cannot get that £1,000,000 back.

Mr. CRAIGIE—It is not proposed to make the legislation retrospective, but we can in the future see that these added values arising from the industry of the people shall flow into the public treasury for the benefit of the people,

and that this robbery shall stop. South Australia has now a national debt of nearly £93,000,000. That public money has been spent on water conservation, road service, and in the provision of public utilities of all kinds, and it is in those localities where the greatest expenditure of public money has taken place that we find the highest unimproved value of land. I say that where these values have been created by the community surely those values should flow back into the public treasury.

Mr. McIntosh—What about the man who has paid the full value for his land?

Mr. CRAIGIE—We are not concerned about the man who has got away with the money. That is due to faulty legislation in the past, and we will have to pay the penalty, but we should do our best to see that things are put on a right basis for the future. Another matter is that the man who purchases land at present must be satisfied that the price he pays represents the true use value of that land. Otherwise he would be foolish to buy it.

Mr. McIntosh—He does not presume that you are going to double his taxation on it.

Mr. CRAIGIE—We do not propose to do anything of the sort. Single taxers suggest that instead of his paying one hundred and one forms of taxation, as he does to-day, we should do away with the hundred and keep only one. Nearly every man who is a user of land has everything to gain by the change. The only man who has anything to fear from the adoption of the principle I advocate is the one who is holding land out of use, expecting to get something for nothing. He certainly will not benefit under our scheme. It has been claimed that if this policy were adopted it would have a serious effect upon the primary producing interests of Australia. A careful investigation of the question, however, will show that the farming interests have nothing to fear from its adoption. Take my own district of Flinders. There we have alienated 10,256,766 acres of land, on which the total land tax paid at the rate of  $\frac{1}{4}$ d., plus 25 per cent., is £12,477, 11s. 4d. If we set against that the £49,944 10s. 5d. paid by 1,042 acres in the city of Adelaide, we see that that small area contributes four times the amount of land values taxation paid by over ten and a quarter million acres on the West Coast.

Mr. Reidy—The honorable member forgets that the State lost £150,000 on the West Coast

water schemes last year. How are you going to make the land pay for that?

Mr. CRAIGIE—I do not forget that. I am not here to forget things. I am here to sharpen the memory of the member for Victoria, and direct his attention to principles he seems to have forgotten in the latter years of his Parliamentary life. The richest agricultural hundred on the West Coast is the Hundred of Yaranyaeka, in the District Council of Tumbly Bay, where 72,960 acres of land pay a land tax of £584 2s. 6d., whereas one acre of land at the Beehive Corner, at the intersection of King William and Rundle Streets, pays £913 1s. 10d. a year. Thus the whole of that hundred, parts of which yielded 40 bushels an acre last year, is paying £337 11s. 10d. less than is collected from one acre at the corner of King William and Rundle Streets.

Mr. McMillan—What land in the Hundred of Yaranyaeka yielded 40 bushels?

Mr. CRAIGIE—Much of it did. The land around White's River yielded as much as that.

The Hon. T. Butterfield—White's River is not in the Hundred of Yaranyaeka.

Mr. CRAIGIE—No, but parts of that hundred yielded 40 bushels an acre, and some farms in the Yeelanna district went close to 40 bushels. In the district of Yorke Peninsula there is typical agricultural land of high value. In that district there is 384,965 acres, which pays in land tax £5,736 11s. 5d. The whole of the land in the district pays about one-tenth of the amount paid by the land in the City of Adelaide. Take the Yongala District Council area. There we have 200,800 acres, which pays £1,852 9s. 3d., or about twice the amount paid by one acre of land at a corner in the City of Adelaide. In the Loxton district there is 686,880 acres, which pays £3,429, approximately what is paid by ten acres in the City of Adelaide. That shows clearly that it is not the farmer who is called upon to pay the tax so much as the more important land within the metropolitan area. Under the present system we have been going along for a number of years, all parties trying from time to time to solve the great problems which afflict society, but instead of conditions becoming better they are getting worse. It is necessary that a new evangel should be preached to the people of this State and the Commonwealth if we are to bring about

that ideal state we desire. It has been said that the man who buys a piece of land has a perfect right to retain the values of that land for all time, because the Government have entered into a contract with him and there is no legal right to take the values from him. I shall make a few quotations to show that under British constitutional law no man can be an owner of land at all.

The Attorney-General—That is so in theory.

Mr. CRAIGIE—And in practice, too.

The Attorney-General—No. A freeholder gets his grant from the Crown, but it is a freehold.

Mr. CRAIGIE—The title is held in fee-simple contingent on the freeholder paying to the Crown all demands made against it.

The Attorney-General—That is so.

Mr. CRAIGIE—English history shows that at one time the land bore all the cost of government, but ultimately the landlord class got control of the British Parliament and shifted the burden from their own shoulders to those of the workers, and that has been the position right down the ages. Williams, in his book "Law of Real Property," says:—

The first thing a student has to do is to get rid of the idea of absolute ownership (of land). Such an idea is quite unknown to English law. No man is in law the absolute owner of lands. At the present day every tenant in fee-simple so fully enjoys the right of alienating the land he holds, either in his lifetime or by his will, that most tenants in fee think themselves to be the lords of their own domains; whereas, in fact, all landowners are merely tenants in the eyes of the law.

That position is supported by Sir William Blackstone in his "Commentaries on the Laws of England," Sir Edward Coke, the Right Hon. Mr. Justice Stephen, the Right Hon. Mr. Justice Longfield, and Sir Frederick Pollock in his "English Land Laws." That shows clearly that constitutional authorities are agreed that there is no such thing under British constitutional law as absolute ownership of land. Therefore we, as representatives of the people, have a perfect legal as well as moral right to appropriate for the community the unimproved land values the community has created. It has also been said that if you impose this tax on the unimproved value of land it really will not make much difference so far as the people are concerned, because the landlord will immediately shift the tax, as he does other forms

of taxation to-day. Before I entered this House I found it intensely interesting to read statements made, particularly by members of the Opposition when speaking on the Budget proposals, to the effect that a tax on land values would be transferred. If it is possible to transfer taxation upon the unimproved value of land, it would be interesting to hear an exposition by representatives of the landed class in another place as to why they hate the land values tax in the manner they do. You can get income tax, stamp duties, and motor tax, all those forms of taxat on which press upon industry, through another place, but if you ask for a measure of land value taxation that is likely to be beneficial to society, it is like the proverbial red rag to a bull, showing very clearly that so far as those honorable members are concerned there is no possibility of transferring the tax. We all realise that those who withhold land from the workers hold the power of life and death over those dispossessed. The latest official figures published in the Commonwealth indicate that the whole of the alienated lands of Australia are held by 14 per cent. of the people, the other 86 per cent. living on the sufferance of those who control our natural resources. That is not a correct state of affairs. Sometimes we work a confidence trick upon ourselves and sing "Britons never, never shall be slaves," but that unfortunately is not true in fact to-day, because where men are alienated from the main source whence their necessities come, they are as much in bondage as men were in the days of shackled slavery. In fact, looked at from some stand-points, it seems that the shackled slave of olden times had points that were an improvement on the present day, because when the worker of that period was sold at the auction block the man who bought him had at least to feed and clothe him and provide medical comforts in time of illness, otherwise the slave would die and be a losing proposition. To reproduce conditions of slavery it is not necessary to drive men with a leathern lash. All you have to do is to control the source whence their sustenance comes and, driven by the lash of hunger, those workers are compelled to compete against each other and take whatever wage those in possession of the land are prepared to give them. If members want to see if this statement is correct let them go not to biased literature, but to the Parliamentary Library or the Public Library and look up the first report

of the early South Australian Commissioners to the Imperial Government. There they will find it represented that in a country where there were neither slaves nor convicts, and it was essential to have a plentiful supply of cheap labor, the only way whereby this would always be available was by having a proper price for land, and therefore they asked permission of the Imperial Government to lift up the price of land in the new province so as to make it difficult for workers to get land on which to exert their labors. That has been the principle followed largely by the vested interests class to-day.

The Hon. G. R. Laffer—I do not think that was the reason given by Wakefield.

Mr. CRAIGIE—Wakefield was not one of the gentlemen particularly interested in formulating the report from which I have quoted.

The Hon. G. R. Laffer—That was his system though.

Mr. CRAIGIE—Wakefield's system and the actual report are two different things. This was a report by the South Australian Commissioners at that time. I do not want to weary members by reading extracts from it, but they may rest assured that what I have stated is to be found in that printed document. It was realised by the Commissioners that if they allowed people to come to the new province and acquire land at a low price, those people would not sell their labor to those already in possession of land, and their power to exploit the workers would be gone for all time. Therefore they asked permission of the Imperial Government to lift up the price of land, and pointed out that it was not satisfactory to do that only in South Australia, but necessary in the other States as well, otherwise the workers would go where the cheap land was. Throughout the pages of history it will be found that those in control of the land have had the power of life and death over those dispossessed of the land, and if we are going to be true to the great mass of mankind we must recognise that Nature has no favorites, giving to some and withholding from others, and we must make land available to everybody on equitable terms. I know of no system to put before society which will bring this about so effectively as taxing the unimproved value of land for public purposes. It is because the voters of Flinders are convinced that this is a correct policy that they sent me here. They had the opportunity to select others, but they placed me at the head of the poll, because I

told them the facts I am telling the House this afternoon. I told them I would go and enter a protest against the existing order in respect of the land. The electors of Flinders have too much intelligence to think that one solitary representative in the House can carry any measure, but they realise that at one time in the history of Australia we had only one Labor man in the whole of the Australian Parliaments, Mr. Richard Hooper, of Moonta Mines. From that very small beginning the Labor Party went on until they controlled the Treasury Benches of the Federal Parliament

and of four State Parliaments as well. If Labor with a policy which has consistently taxed the industry of the people can make such rapid strides in such a limited time, there is no reason why single taxers, with a policy which proposes to untax labor, should not make similarly rapid strides on getting the first leg in. I ask that the policy which I present to the House be given the serious attention which it deserves. Whether it is examined on an economic or an ethical basis, it will stand four-square to all the criticism that may be levelled upon it.

