

## Our Australian Letter

### CALM AFTER STORM

LAST month the Labor Party in New South Wales was bemoaning its defeat, this month the Coalitionists are bemoaning their victory. At any rate, the previous government has left such an accumulation of debts and obligations of all kinds that their successors, who have inherited the results of their predecessors' mistakes, are faced with financial and other difficulties of the gravest sort. But the new Ministry, headed by Sir George Fuller, is apparently sincere in its desire to grapple manfully with the present state of affairs, and the moment Parliament opened, a Bill was introduced reducing the salaries of members by £275 a year, bringing them down from £800 to £525. The amount was amended to £600, which will probably be adopted, notwithstanding the opposition of the Labor Party, which insists that the election expenses are so heavy that members need big salaries to enable them to make both ends meet.

The Labor members also contend that, instead of the same reduction being made for Ministers as for ordinary members, the reduction in the salaries of the former should be on a proportionate scale, to which it is retorted that Ministers have to give their whole time to their work, whereas ordinary members often have private businesses of their own. The demand for money to meet the Labor deficits is so pressing that Parliament was asked to impose a super-tax of 6d. in the £ on all income, such as has been imposed every year since the war. This measure will also probably be carried, the government making it plain that it is only to be a temporary expedient, which will be dropped so soon as things get a bit straightened out. One thing the elections did, and that was to prove unmistakably that Proportional Representation is far superior to the old-fashioned electorate method of choosing members. Had that system still been in vogue the Coalition victory would have been so complete that the Labor Party would have been wiped out almost to a man, and that very important element would have been practically unrepresented in the new House. As it is, the Coalitionists and Progressives have a strong majority, amounting to 14 as a combination, but all the other constituent elements in the community are represented according to their numerical strength.

### AN INTERESTING EPISODE

An interesting episode in connection with the opening of the new Parliament was the election of Mr. Levy as Speaker. This is the member who, when both sides in the late House numbered 45, accepted the position of Speaker at the solicitation of his opponents, and enabled the Labor government to hold on for nearly two years when their extreme measures pricked his conscience and he resigned. This brought on the appeal to the people which had such a disastrous result for the Labor Party. Mr. Levy regained his seat in spite of the opposition, or at any rate the non-support, of the Nationalists, and there being no better qualified Speaker he was nominated by the government,

supported by both sides of the House, and, notwithstanding some bitter remarks from a few Labor members who resented his having brought about the defeat of the Labor Party, he was re-elected to a position which requires more than ordinary talent to adequately fill.

### SERIOUS LABOR SPLIT

Since the elections a very serious split has occurred in the Labor Party caused by the expulsion from its ranks of Mr. J. H. Catts, a Federal member, who had long been associated with the Labor movement as Organizer, but who ventured to severely criticize its policy, to which he ascribed its recent defeat. Had Mr. Catts been the only member of the Labor Party who was discontented with the way in which it was being carried on the matter would doubtless have ended there, but there are thousands of others equally out of touch with the extreme Communistic and Bolshevik proclivities of the A. L. P., as the Australian Labor Party is called. When, therefore, Mr. Catts raised the standard of revolt and stated to organize what he called a "Majority Labor Party," in opposition to the A. L. P., thousands of dissatisfied unionists joined it at once, and a League was formed in Sydney with Mr. Catts as President. Scores of prominent Laborites—Trades Union secretaries and officials and a lecturer from the Sydney University—were appointed on the Central Executive. Branches were formed all over the State, and a manifesto was adopted, a leading feature of which was the rejection of the Communistic attitude of the A. L. P., and a return to the saner principles advocated by the Labor Party in the past, such as the socialization of monopolies instead of the contemplated overthrow of Capitalism, of Parliamentary institutions generally, and the substitution in their stead of the Industrial Soviet. The Labor government, which fortunately received its quietus at the recent election, did all in its power to promote State Socialism, conducting enterprises such as the State Bakeries, Butcheries, and Brickeries, which should be left entirely to private enterprise. An immense amount of money was lost in this way, the State seldom being able to successfully compete with those already in the field. The very first thing the new government did on entering office was to dispose of the State Brickery, which showed an accumulated loss of nearly £20,000, and, says the new Minister for Works, "the other State undertakings will come under similar review as early as possible."

### THE SOCIALIZATION OF MONOPOLIES

The new "Majority Party" has a great future before it, or would have if it really advocated principles and measures for the benefit of Labor. If, for example, it would advocate the socialization of land which is the greatest of all monopolies, but which no party has hitherto dared to attack, it would do more good for Labor and for humanity, which Labor represents, than any other possible reform. But this will be unusually difficult, for, wherever the English race settles down, it inevitably carries with it the idea of private ownership in land. Even in India, where a land tax

was imposed from the time of Aurungzebe, we turned the transitory collectors of it into permanent owners of the soil, whose revenue they had been collecting for their own benefit for more than a hundred years. But here in Australia, ever since Henry George's visit 30 years ago, the public mind has been gradually permeated with the idea that land value, apart from improvements, is created by the people, to whom therefore it rightfully belongs, and that it should be appropriated by the government on behalf of the people.

During the recent election one of the candidates for the Western Suburbs, Mr. A. G. Huie, the Secretary of the Free Trade and Land Values League, made this the main text of his policy, and both on the hustings and in the press he urged that this method was the only legitimate way by which the land could be unlocked and the unemployment problem solved. He was not one of the elected five, but his vote was much larger than at the previous election two years ago, when he took the same stand. The Federal elections, which are expected to be held early next year, are, however, the best field for such a campaign, and propaganda work has already commenced. It is taking the form of advocating the abolition (1) of all taxes on machinery and implements used in production, and (2) of the exemptions and graduations which mar our present system of land value taxation.

What is wanted is a uniform tax on all land values throughout the Commonwealth. If the "Majority Labor Party," as the new movement styles itself, will advocate these two important reforms it will command a very large following in the Mother State, and to a lesser extent in the other States as well. The utter uselessness of Protection to assist Labor is beginning to be generally recognized, as also the harm it inflicts on the whole community outside of a few manufactureres, whom also it injures in the long run. Moreover, the workers are beginning more and more to realize not only the injustice, but the injury to themselves, inflicted by the policy they have hitherto supported of exempting the owners of land values up to £5,000 from taxation. The result of this policy, which has had the sanction of all parties hitherto, has been to reduce the revenue by at least £5,000,000 a year, and, what is still more important, to keep millions of acres of fertile and easily accessible land out of use, pending a rise in the price which is sure to accrue. Exactly what policy the Majority Party is going to adopt is not yet sufficiently clear, but there is a great opening for a party advocating the policy outlined above.

#### THE TWO JOSEPHS

One of the prominent members of the new government is Sir Joseph Carruthers who will represent it in the Legislative Council, to which the defeat of the Labor Government has given a new lease of life. He was Premier of New South Wales 15 years ago, and is still one of the ablest men we have. His campaign in advocacy of the Million Fares scheme reminds one of that carried on by the late Sir Joseph Chamberlain in advocacy of tariff reform. Both

men were full of energy and eloquence at an age when most men have put work on one side. Posterity will probably say that both Josephs were on the wrong track—the one advocating a return to Protection, although under another name, when the right course was to extend the area of free trade; the other in advocating a veritable orgy of borrowing for constructing railways past the fertile lands served by already existing lines, which are not paying their way for want of the population which Sir Joseph proposes to take somewhere else.

As a result of his energy and eloquence a very large number of municipal and shire councils and other bodies have been won over to support his borrowing scheme, and the new government has already pledged itself to enter into negotiations with the Federal and British Governments to obtain the necessary money for carrying it out. There is very little doubt that the lands in the Murray Valley, opposite Mildura, where the Victorian Government has an irrigation colony, present special facilities for the establishment of a similar colony, provided that the Victorian railway is carried across the river, and this is to be the first part of the Carruthers scheme which the government will endeavor to carry out. Even here, however, it is possible to make a huge mistake, judging from the experience on the Murrumbidgee Irrigation Settlement, where a large amount of money was squandered and losses amounting to £1,500,000 incurred, particulars of which have just been published by the Auditor-General in a scathing report. Australia is one of the largest, richest, and least populated countries in the world, in close proximity to teeming millions who are gazing with envious eyes at our vacant lands. It looks such an easy thing to borrow money for constructing railways and other works, and to people our waste spaces with countless thousands from over seas, but many other factors have to be taken into account, including those noted above, and over this apparently easy problem the hugest of blunders may be made.

#### THE MIGRATION QUESTION

The immigration question has made great strides of late especially by the Empire Settlement Bill, which has been read a second time in the House of Commons. Under it £2,000,000 a year will be contributed by Great Britain on a half and half basis, towards a comprehensive settlement and land development scheme in Australia, with special provision for juveniles and women, and for the establishment of training camps for migrants awaiting settlement. A big start has already been made with Western Australia and the other States will doubtless soon join in the scheme. The government here is fully seized with the importance of properly placing immigrants when they arrive, training them when necessary, and watching over their early career.

While all this is highly commendable, the fact still remains that Australia is in a very parlous condition; thousands of our own citizens, including large numbers of returned heroes, are in the direst straits for want of employment; that our primary producers are struggling again

the heaviest handicaps in the shape of tariff imposts, super-taxes, and unjust freights and fares, on top of which comes the recently added basic wage, a combination of burdens which is reducing production, increasing unemployment, and driving many of the farmers off the field. Then our iron and steel works are unable to compete with other countries, which are underselling us even in our own market, with the threatened extinction of the entire industry. The employees are asking for shorter hours, which means still further increasing the cost. Our coal is meeting with a similar fate, and the owners want to reduce wages by  $33\frac{1}{3}\%$ , which the miners point blank refuse. And so with other industries and trades. The very ground is oscillating under our feet, and yet our legislators still talk bombastically of borrowing huge sums to attract more people, and refuse to deal with the causes of the disaster which is eating at our very vitals. When our house of cards tumbles over our ears, as it threatens to do very soon, then perhaps our legislators will take note of the fact, but it will be too late.

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