
RELATION OF LAND TO THE LABOR PROBLEM.

SPEECH BY MR. E. J. CRAIGIE, M.P.

In the House of Assembly, Wednesday, November 4th, 1931.

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REPORT OF SPEECH BY MR. E. J. CRAIGIE, M.P.

Mr. CRAIGIE (Flinders)—The Budget follows the lines Treasurers have followed for years. Although in this time of crisis we expected some new ideas to be introduced, our expectancy has not been realised. It is hardly a fair proposition for a Treasurer to introduce his Budget on a Thursday afternoon and expect the members of this House to pass the first line a few days later. It does not allow members sufficient time thoroughly to investigate such an important financial statement. The Premier has indicated that he anticipates a deficit of £1,500,000. He is an optimist, because when one takes into consideration the activities of the State, the various forms of public utilities, and the prospects for the coming season there seems little hope of his estimate of revenue being realised. Not much has been done in the way of reducing the estimates of expenditure. The good old policy, characteristic of Governments of years past, has been followed by the present Treasurer. It is very interesting to make a cursory examination of the State finances since the adoption of Federation and to see just how we are drifting. The estimates presented in 1901-2, the first year after Federation, showed a revenue of £2,477,000, or £6 13s. per capita. The expenditure was £2,823,000, or £7 14s. 5d. per capita. Even at that time no attempt was made to balance the Budget. Then we pass on for a decade to 1910-11, when the estimated revenue had been increased to £4,180,000, or £10 3s. 11d. per capita. The expenditure was exactly the same, and the Budget was supposed to balance. Ten years later the revenue had increased to £7,150,000 and the expenditure to £7,543,000, or as high as £15 7s. 2d. per capita. For the year ended June 30 last the revenue was £10,725,000 and the expenditure £12,539,000. In the brief period that had elapsed since the introduction of Federation the expenditure per capita of population had risen from £7 14s. 5d. to £21 10s. 2d., despite the fact that the population had only increased from 359,000 to 583,000. Other factors have to be considered in connection with the figures submitted. Certain functions which, before Federation, had been performed by State Governments were transferred to the Federal

arena, and in the natural order of things South Australia had a right to expect a diminution in State expenditure after the change was made. Furthermore, on January 1, 1911, the Northern Territory was transferred to the Federal Government. The Territory had been a source of considerable expenditure, and although we got rid of that white elephant and a number of State instrumentalities the burden of taxation became greater. An examination of the financial statements presented to this Parliament during the past twenty years discloses twelve deficits, aggregating £7,663,000. The usual procedure in budgeting to balance the ledger is to try to extract as much as possible from the wealth producers. Taxation in South Australia has increased alarmingly during the period I have mentioned. In 1901-2 it amounted to £266,291, or 14s. 8d. per capita. Ten years afterwards it had increased to £545,985, or 26s. 8d. per capita. During the next decade the State got rid of the Northern Territory and certain State instrumentalities, but in 1920-21 the taxation had reached the enormous figure of £1,584,863, or £3 6s. per capita. For the financial year which has just closed the total taxation was £3,339,766, or £5 14s. 7d. per capita.

Mr. Anthony—There was a big extension of social services during that period.

Mr. CRAIGIE—I know that, but the honorable member will agree that it is not a function of Government to engage in many of the social services which have been entered into by the Government. The Government have interfered in affairs which should have been left to private enterprise. It is because of that the State finds itself in its present unfortunate bankrupt position. It is very interesting to examine the taxation collected during the past 12 months to see which section of our people has contributed to revenue to defray the cost of government. If we take the farming community, the pastoralists, and those engaged in mining operations, which are the three great primary industries upon which the wellbeing of the State depends, we find that those people have been placed in such a bad position owing

to the unsound economic legislation passed by this Parliament that they did not produce sufficient wealth to pay 6 per cent. of the income tax collected. That proves that the primary producers are operating under very adverse conditions. It is certainly a sad reflection on the intelligence of the people entrusted with the government of the State in days gone by to think that our great primary producers have been brought to this pass. Labor representatives claim that they are out to look after the interests of the down-trodden working class, to see that no unfair burdens are placed on them, and to give them what is popularly called "a good deal," yet the taxation figures show that whereas for the year ended June, 1930, we had 65,900 employees contributing income tax, the number for the year ended June, 1931, had increased to 80,321. They represented 78.71 of the total taxpayers who paid income tax, and paid 64.62 of the total income tax. This is alarming, and I cannot understand why people who say they believe in the principles of Labor, who claim that they believe that the worker is entitled to the full product of the wealth his labor calls into being, should, by means of the income tax, have taken from them by a system of legalised robbery nearly 65 per cent. of the total revenue collected for income tax purposes. In addition to the actual 65 per cent. contributed directly we must also add to that the sum which is nominally paid by the business people of the country, but which actually is contributed by workers who buy the commodities sold in the stores. If we could get a correct revelation of the total amount of income tax levied we would find that the workers are contributing an unfair share of the taxation burden in this State. There is another system of taxation which is likewise a robbery of the earnings of labor, and that is the stamp duty tax. During the last financial year we collected in stamp duties £323,191. It is interesting to dissect that amount and see where the major portion came from. Bills of exchange, cheques, and similar documents produced over £48,000. This is a charge on business, and like all overhead expenses, is passed on to the people to pay. The sum of £65,447 was levied in connection with sale of property. Where is the ethical basis for Governments taxing people who desire to purchase homes to shelter them from the elements? Under our ridiculous laws if a man buys a home he is taxed £1 in every £100 on the value of the house he wishes to acquire. That

is an obsolete method of collecting revenue which no intelligent section of the community should stand for. We know that there are individuals who, owing to the fact that we have had a bad system of Government in the past, have not been able to set aside a sum sufficient to enable them to pay cash for their homes. Consequently they have to obtain a mortgage or what is known as a "blister" on their homes. With that due consideration which they always show to the bottom dog the Government practically say, "We know you are hard up and have not the necessary money to pay for the home you require, therefore in order to help you along life's way, when you are compelled to negotiate a mortgage we will tax it 5s. in each £100 of value." That poor unfortunate section which during the past 12 months had to negotiate mortgages had to contribute £12,134 for stamp duties. According to the Act people engaged in business operations must put a duty stamp of 2d. on every receipted account in excess of £2. This goes on to the price of the commodities, and the same old party pays. Last year it amounted to £36,300. In these days of stress some people like to try to get away from their sordid surroundings in order to get a little amusement, but you cannot indulge in a little amusement these days without being called upon to pay taxation. During the year the Government levied £88,105 as a tax on amusements. In making a close examination of the stamp duties we find that out of the £323,000 collected no less than £250,000 was a direct charge upon the wages of labor. For that reason no Government responsible for introducing a Budget of that kind has any right to call itself a representative of the Labor Party. A Government which lives up to its claims should be one out doing its best to see that no restrictions or imposts of any kind are placed on industry. Every encouragement should be given to all sections of the community to produce wealth to the fullest extent and when they have produced it it is the function of the Government to see that neither the Government nor any private individual has the right to appropriate the earnings of labor. Unfortunately we have not been graced in this State or the Commonwealth with a Government which lives up to those ideals, but I believe that on account of the ever-increasing number of those who do think on their own account instead of delegating it to so-called leaders, in the near future we

shall have a Government which will be a representative of those who toil. It is very interesting to see how we have been drifting from the standpoint of our national debt. In 1902 the national debt of this State was £26,448,000, or £73 3s. 6d. a head. By 1911 it had increased to £34,224,000, or £83 4s. 6d. a head. In 1921 we lifted it to £48,556,000, or £97 11s. 11d. a head. Then we made one big stride in the last 10 years, lifting the debt to £99,527,000, or £176 7s. 6d. a head. Naturally if you increase your national indebtedness you must also add to your interest obligations, and the comparative figures show that whereas at the inception of Federation £2 11s. 1d. per head was the interest on the South Australian national debt, during the last financial year we increased it to £8 5s. 5d. It is a striking commentary on the finance of this State when we realise that the total amount taken by the Government in all forms of taxation from the wealth producers of South Australia is approximately £1,000,000 short of the amount necessary to pay the interest on our national debt. Is it any wonder that we have had bad times, unemployment, and general stagnation while we have been pursuing a financial policy of this kind? Although it seems to be popular on both sides of the House to say that we do not require any post mortems and to let the sleeping dogs lie, it is good that we should have a review of the past and take advantage of the experiences we have gained in order to see if we cannot set our financial house in order. For that reason it will be well for us who are charged with the destiny of looking after the finances of the State to see whether some better policy of finance could be evolved which would bring us out of our present troubles. I listened with considerable interest to the speeches delivered by members of the Opposition. Without exception they are all very good critics of the Government. They are all agreed that the Government are not doing the right thing and that certain cuts should be made, but when it comes to laying down a definite concrete proposal indicating where they believe a better state of society can be ushered in, practically no suggestion is made. Yesterday Mr. Butler said that we cannot increase taxation because we have reached a point where it is restricting production and affecting industry. Everyone is well in accord with those statements, but we do not hear any suggestion from him as to how taxation can be reduced. Anyone who has given any attention to the

economic situation of Australia at present must be well aware of the fact that unless this crushing taxation is removed from industry there is no possible hope of putting the State on a sound basis. There is nothing even indicated in the Premiers' Plan which is going to make for social salvation. The best part of the Plan was the opportunity to secure a reduction in interest rates, and thus give a little lift for the burden in that direction. Under your present economic policy, seeing that wealth is distributed in three channels, namely, rent, interest, and wages, when you give a smaller amount in interest, who is going to have the advantages of same? Will the workers get any of it in increased wages? No member of this House would dare to say that the amount that will be saved upon the payment of interest will mean an increase in the wages of labor. Then it can only be the landlord class who will get increased rents for permission to use the land. They are the people who will get the advantage of any temporary prosperity which may accrue from the adoption of the Premiers' Plan. We know that the farmers of Australia are in a bad position. They have been compelled to accept relief at the hands of various Governments, not because they desired to get it, but simply because the pressure of taxation during years of prosperity had taken so much out of the product of their labor that they could not set aside sufficient to tide them over periods of drought or low prices. They are by force of circumstances compelled to go to the Government and seek some temporary measure of relief. If the farmers cease production everything else goes by the board. That is a fact which cannot be disputed because we do not depend for our prosperity upon the making of a few things in city factories, but depend entirely upon the success of people growing wheat, producing wool, and bringing forth mineral wealth. Any system or economic policy which has a detrimental effect upon these forms of production is going to be felt in every class of industry. We are paying the price, because Governments of the past have had more consideration for the metropolitan area than for those engaged in rural production. There must be a change of view. Unless there is a definite effort to give the primary producer better conditions we can look in vain for anything in the way of improvement. Reference has been made to the fact that these loans to

farmers are a form of charity. They have been placed on the same footing as grants to unemployed. That is an altogether unfair comparison. People who are unfortunately compelled to be out of employment are a charge upon the taxpayers, but the assistance to the farming community is not a gift. It is a loan, and a first charge upon the assets of the farmer, and he has to pay interest on the loan. It would be well for members opposite, when they are throwing off about the assistance farmers receive, to bear in mind that the farmers are not receiving free gifts, but merely loans which they have to pay back with a fair rate of interest. There seems to be a desire on the part of certain members that the pruning knife shall be drastically applied to education services and in some cases to country schools. I am totally opposed to anything of that nature. The children in the country have quite a lot of hardships to contend with. In my district many of the little toddlers have to go five or six miles to get what education they receive. Sometimes two children will be seen riding on one horse. In many instances they have to walk five miles to school in the morning and five miles back at night.

The Hon. G. R. Laffer—And that is only for primary education.

Mr. CBAIGIE—Yes. Children who have to secure their education in such circumstances have quite enough to contend with, and the little they get should certainly not be taken away from them. It should also be remembered that many children who suffer these disabilities are not in a fit state when they reach the school to assimilate the education. It has been said that it would be advisable to close country schools and take greater toll of the correspondence system. That system has been responsible for excellent work, but we must not overlook the fact that its success depends entirely on the educational ability of the parents. In many cases, owing to circumstances beyond their control, parents did not receive an extensive education in their early days, and consequently are unfitted to assist the children's education; and, further, the ordinary lives of people engaged in primary production provide sufficient toil for them from early morning until late at night without their having to impart education to their children. For these reasons I hope the House will not countenance the suggestion to close country schools, or to

force the correspondence system upon people who are suffering great hardships. There is need for a cut in the education vote in other directions. Honorable members opposite have a slogan, "Free education from the kindergarten to the University." That may be a popular cry during an election campaign, but I think those honorable members who use that slogan have not given the subject the careful attention it deserves. It is supposed to be of great advantage to what is known as the working class. The child of the worker is supposed to be unable, owing to the limited financial resources of the parents, to continue his studies to the highest point, and so the cry goes forth, "Let us make it free." Supposing we placed upon the Statute Book a proposal to carry out the wishes of certain members, what would be the ultimate result? It would mean that in the near future, as in the past, the children of the horny-handed sons of toil, as soon as they reached the age of 14 or 15 years, would be asked by the parents to get into the collar and produce some wages to help keep the home fires burning, and the general effect would be that very few children of the working class would participate in free education, and it would give still greater privileges to the class that is getting too many to-day. The idea that we have free education is one of the superstitions of the age. We have no such thing. We have a heavy burden of taxation imposed to pay for educational services. My own opinion is that education is not the function of the State at all. It can best be left to private enterprise. Every person should pay for education in proportion to the value of the services received. Such a system would give better results. Certain persons in their private capacity as teachers, being imbued with the proper teaching spirit, would get better results than are obtained to-day in large classes, where cramming takes place. When the Leader of the Opposition was dealing with the existing system of taxation he referred to the burden that was placed upon the producers and looked across to me and said he was prepared to go half way with his free-trade friend. I am surprised to know that the leader of any respectable party could be half a free trader and half a protectionist. That does not agree with the principles of economics at all. When I interjected, "You will only go half way to justice," the Leader of the Opposition replied, "Half way to

reason." It is because legislators in the past have only gone half way to reason that we are in the position we are to-day. I respectfully submit that those who are looking forward to controlling the destinies of this State should allow reason to be supreme. Mr. Nicholls was optimistic that the Budget would be balanced in the near future. When he was challenged by honorable members opposite he said, "We have had big increases in production during the last 30 years," and he based his optimism on that fact. I cannot see any grounds for optimism along those lines. Certainly we have had big increases in production, and are likely to have them again, but if the wealth producers of Australia are only going to call forth the production of the soil for the purpose of handing it over to the Government under a vicious system of taxation, where is the incentive for further production? There is none, unless a man has some guarantee that the wealth shall be his property and no person shall be allowed to take it away from him. The honorable member for Stanley also gave an interesting comparison of the prices of farm machinery a few years ago and those ruling to-day; he gave the number of bushels of wheat required to be given by a farmer for a machine some years ago as compared with the number of bushels required to-day. If we did not have money in social use a lot of our economic problems which appear confused would be clearer. The introduction of money has caused the public to think of money for its own sake instead of the things they can get for it. How much more of their labor products do the people have to give to secure the necessities of life compared with some time back? When we make this comparison we begin to understand the cause of our financial and economic troubles. Mr. Nicholls went on to say that we wanted a definite scheme for the purpose of absorbing the unemployed, but admitted that he had no practical proposal to put before the House. He stated that it was very necessary once we arrived at a stable basis to provide a definite safeguard against the further inflation of land values. I asked the honorable member whether he had any suggestion to make as to how that inflation could be obviated, but he had none and did not agree with my solution. The main objective of Australian Governments should be to settle the question of unemployment. So long as there are hundreds of thousands of men seeking work

there can be no rehabilitation of society. If you speak to some political leaders—and church leaders have entered the field lately—they seem to think the unemployment problem is very difficult to solve. I cannot understand such an attitude, because it is easy to solve the problem if we do the right thing. It is very strange that unemployed willing workers cannot be found except in civilised societies. If you trace the history of primitive peoples you will find they are not troubled with unemployment problems. Take, for example, the primitive dark race which lives in British East Africa. The population of that country is 4,000,000, including 400,000 whites. The negroes are in a very happy position, a position infinitely superior to Australian workers, because although the British capitalists and the capitalistic class we hear so much about would like to exploit the negroes our dark brethren refuse to be exploited. Why? Simply because they have access to their native reserves, on which they need only work one, two, or three hours a day to produce sufficient to provide them with a good living. As they can get a good living without the aid of the capitalist they refuse to be exploited, as their white brothers are exploited in so-called civilised countries. In British East Africa there are no Trades Halls or trades unions, labor agitators, wages boards, Arbitration courts, and other signs of civilisation.

Mr. Thompson—Do they ever have a famine?

Mr. CRAIGIE—I have heard of none, because the people have access to the natural resources. Nature has been very generous, and it is not very difficult for the people to produce the commodities necessary to satisfy desire. Therefore they do not have to go to any recognised authority to receive a dole, and they have no national debt on which to pay interest.

Mr. Thompson—There are no arbitration courts in China, yet the Chinese are having a bad time.

Mr. CRAIGIE—Because conditions similar to those in Australia operate in China. In China the land is owned by a privileged few. Where we find a common cause in different countries we naturally get the same result. What does employment really mean? First, it means a desire on the part of individuals for food, clothing, and shelter. Secondly, it means use of the powers of hand and brain of the individuals. Thirdly, it means the necessary raw materials on which the

powers of hand and brain can be exerted and the desired things brought forth. If we have those three essential elements there cannot be unemployment in our midst. What is the position in Australia? At the moment there is a desire for more food, clothing, and shelter. We have individuals possessed of the necessary power of hand and brain and an abundance of raw material, so why is it that in this country there are idle lands and idle hands?

Mr. Thompson—That is a good quotation.

Mr. CRAIGIE—It is, and members who claim to be representing Labor cannot find a flaw in it. In 1892 when the Labor Party first raised their standard and marched down the streets of Adelaide they sang "God gave the land to the people." Probably they have a revised version now, and sing "God gave the land to the landlords, and denied it to the people," because they have not made any effort to try to give to the people the gift of Nature.

Mr. Fitzgerald—You know we have tried.

Mr. CRAIGIE—It would require a very powerful microscope to discover when the trial took place. There is no record of any Labor Government having attempted to make the land available to the people. This session the Commissioner of Crown Lands introduced a Bill, not to make land available to the people on equitable terms, but to buy back from the landlord class land values which the community as a whole had called into being. I am not one of those who believe in buying back stolen property. The workshop from which all jobs spring has been handed over to a privileged few, and the many have been denied the right of entering therein. It is no wonder we have an unemployment problem, but how has it been brought about. In the first place, it is due to the fact that we have made it profitable to hold land out of use. We have penalised those who were engaged in productive effort. We want to reverse that policy, and first of all to realise that no man can employ his labor unless he is granted the right of access to natural resources. You cannot do that under the present system of Government. There is only one way you can make land available to the people who want it for the various avenues of production, and that is by calling on every one in possession of land to pay the annual rental value into the Treasury. When you do that, there will be a fund sufficient to defray the

cost of government, and there will be no need for the imposition of the robbery taxes levied on the community at present. The income, stamp, and motor taxes (the last is the curse of society) will not be needed. Why should we tax a progressive method of transport?

Mr. Thompson—What about the roads on which motor cars run?

Mr. CRAIGIE—The construction of roads immediately gives an added value to abutting land, more particularly where roads converge. Therefore if we take the added value which arises through the expenditure of money on roads to pay for the cost of these roads, we would not then need to have the big loan programme we do and would be free from the interest charges which are the curse of society at present.

The Commissioner of Crown Lands—How would you get the money?

Mr. CRAIGIE—The track you have been travelling along in the past has brought you to a dead end and some fresh ideas are necessary.

The Hon. T. Butterfield—Would you suggest that the land abutting the road from here to Gawler should pay the cost of that road?

Mr. CRAIGIE—The construction of that track was not only of immense benefit to the land abutting it, but it also gave added value to the places where roads converge. You cannot deal with public utilities in watertight compartments, but must treat them as a national question.

Mr. Thompson—Would you do away with district councils?

Mr. CRAIGIE—No, because they perform a useful function in dealing with local government affairs. We have at present a national debt of approximately £100,000,000. That debt has been incurred mainly on public utilities, such as railways, water services, lighting facilities, etc., and because of the expenditure of that money the land values of South Australia have gone up by a corresponding amount. To-day we allow those in possession of the land to take the whole of the advantages of public expenditure, and then we add insult to injury by taxing the wages of labor and industry to meet the big interest bill on our national debt.

Mr. Thompson—Would you load that all on the land?

Mr. CRAIGIE—Knowing the honorable member to be very keen on thinking on very definite points, would he be good enough to say where existing taxation comes from? If it

does not come from the land, where does it come from? Seeing that the land is carrying not only the existing burden of taxation, but also abnormal Governmental expenditure as well, then if we relieve it from those abnormal charges and ask it to meet only the true expenses of government there will be no difficulty in financing along those lines. We hear from time to time about the need for economy in Government departments. However, no practical proposal is put forward to indicate exactly how the reform or economy can take place. We are merely given a bald statement that a certain amount should be lopped off the Estimates and then we are to do the best we can with the amount which has been granted. That is not a satisfactory way or a fair proposition to the House. Our governmental expenses are altogether too high, but we cannot do very much in the way of real economy in our Government services so long as we continue our present obsolete methods of collecting revenue. If we are going to have real economy in Government departments we must abolish some of the departments altogether. So long as we continue to raise nearly £2,000,000 a year by means of income tax then so long will we require all the officials of the Income Tax Department to deal with the necessary returns, etc. Again, so long as we regard it as a crime for a man to drive a motor vehicle of any kind, for so long will we require the Motor Vehicles Department, costing £14,000 or £15,000 per annum, thus placing additional restrictions on industry and interfering still further with the liberty of the individual. We hear quite a lot said at present about working in accordance with the economic law, but many of those who make the suggestion violate economic law every day by the arguments they advance. Let us abolish these departments and collect the revenue from its natural source, the values created by the community as a whole, and then the cost of government will be cut in half. Not only so, but the beneficial flow will result in land held out of use or not properly utilised being made available to the public who desire to obtain it. When we get an opening up of the land and settlement of the people, for every man settled on the land and engaged in primary production he automatically opens the opportunity of employment for at least five other persons. It is only by going on these lines that we are likely to deal with the problem

of unemployment. This question of back to the land is very much in the air. Some time ago the Leader of the Opposition came out with a back to the land policy. A committee has been formed for the purpose, but, unfortunately, I forgot to bring with me some of the matter issued by that committee. Summing it up they intend to get hold of land at a low price, get people to settle on it and increase its value, and then this beautiful committee will get rich without working on the result of some other man's efforts. This committee is domiciled in those democratic headquarters known as the Chamber of Manufactures, where all good comes from in the interests of the proletariat. They realise that with the turn of the tide there is a possibility of a spasm of prosperity taking place, and that when prosperous times come land values will rise, and that without any effort on their part they will reap the benefit. If they can get in early at a low price and sell out at a big price, then the producer can carry the baby the same as he is carrying it at present. If you stopped inflation of values in the future, and it is essential to do it if we are going to get on to a sound economic basis, there is only one thing to do and that is to take these values into the public Treasury and not allow the individual to keep them and put them in his pocket. If we are not prepared to adopt this policy we may get a temporary improvement in society, but as sure as the day follows night we shall have these periods of stagnation and prosperity in the future. It is because we want to prevent this that I ask members to give this question the serious consideration it deserves and realise that it is something worthy of their best consideration.

Mr. Thompson—Is it practicable?

Mr. CRAIGIE—It is never practicable in the minds of some people to do what is right, but it is always practicable to do that which is wrong.

The Hon. T. Butterfield—That which is expedient.

Mr. CRAIGIE—Yes, and unjust. If you come out with a policy which is in accord with economic law you always meet the man who says, "That is all right in theory, but it will not work out in practice." If you go out with a suggestion to reduce wages or make it harder for the lot of those who toil that is always

practicable. I do not believe in a policy of that kind. I am totally opposed to any policy which advocates reducing the wages of labor. The laborer should get the full product of the wealth his labor calls into being, but I also believe in the Biblical quotation to the effect that those who do not labor shall not eat. If we had that policy put into practice this old world would be a lot better place in which to live. This is not the first crisis which has troubled this world of ours. For the benefit of members who have not had the opportunity of reading them, I shall quote some words of wisdom which should be beneficial to all concerned:—

Now, however, we are coming into collision with facts which there can be no mistaking. From all parts of the civilised world come complaints of industrial depression; of labor condemned to involuntary idleness; of capital massed and waiting; of pecuniary distress among business men; of want and suffering and anxiety among the working classes. All the dull, deadening pain, all the keen, maddening anguish, that to great masses of men are involved in the words "hard times" afflict the world to-day. This state of things, common to communities differing so widely in situation, in political institutions, in fiscal and financial systems, in density of population, and in social organisation, can hardly be accounted for by local causes.

Anyone would think that these words were written in relation to the condition of society as we find it at present, whereas as a matter of fact they were written in 1879 by the greatest economist this world has produced, namely, Henry George, the prophet of San Francisco. He not only indicated a crisis, but, unlike the armchair professors of political economy who patronise our universities, he showed the cause of the trouble. He traced it all back to the common cause, and showed how by removing the cause of the trouble we could establish the kingdom of righteousness on earth. In dealing with this question I have been termed a faddist, crank, and many other names, but not being of a particularly nervous disposition, I do not worry about what they call me, but I am concerned that, notwithstanding all the challenges I have made against the established order, and all the arguments I have advanced to show how you can make conditions better for all concerned, and establish a system of social justice, no practical argument has ever been advanced against them to prove they are wrong. No person has arisen in this world who has replied

to the arguments put forward by Henry George in his immortal work, "Progress and Poverty."

Mr. Harvey—What about Teddy Yates?

Mr. CRAIGIE—I do not intend to go from the sublime to the ridiculous. I am trying to keep the debate on a high plane. To-day it is being increasingly recognised that the policy of Henry George, which in the past has been condemned, must command the attention of all serious-minded individuals. I have a very informative document here, "The Enigma of Society," which reads:—

This association of poverty with progress is the great enigma of our times. It is the central fact from which spring industrial, social, and political difficulties that perplex the world, and with which statesmanship and philanthropy and education grapple in vain. From it come the clouds that overhang the future of the most progressive and self-reliant nations. It is the riddle which the Sphinx of Fate puts to our civilisation, and which not to answer is to be destroyed.

Can anyone doubt the truth of that statement?

We are faced with a problem which is worrying the greatest brains of our age, and there is no practical proposal coming from the Government which indicates how we can make conditions better for our wealth producers in the future. Professor Nicholas Murray Butler, President of Columbia University, said:—

It is a full half century since no inconsiderable part of the world was plunged into vigorous and often excited controversy over the thesis and arguments of a book by Henry George. He called it, "Progress and Poverty." The very title was abundant in challenge, and the argument of the book was more challenging still. Henry George pressed the question as to why it is that, with all the vaunted progress that society has made and is making, there should still be so much poverty and want, and such apparently permanent lines of division between the great mass of those who prosper and the great mass of those who do not. While Henry George lived and met the public face to face upon the platform his vigorous personality gained him many followers and made many advocates of his opinions. The years that have passed have set his economic analysis and economic teaching in due perspective, and enable us to now consider them with a just sense of their permanent importance and with regard to the soundness of their underlying principles.

And recently he said to a gathering of American business men:—

Why is it that, with all the progress which the world is making in so many directions—science, letters, fine arts, every form of industry, commerce, transportation—why is it

that there still exists so much want, so much of all that which, for lack of a better name, may be summed up under the single word, poverty? Henry George asked that question fifty years ago. To-day everywhere in this world, east, west, north, south, Europe, America, Asia, Africa, that question is being asked—why is it that, with all that man has accomplished to his great satisfaction and pride in this last generation or two, why is it that the world to-day is in the grasp of the greatest economic, financial, social, and political series of problems which have ever faced it in history.

That is the question we have to face. We must stand up to our job and see that we legislate in accordance with those great immutable laws. Just as if we attempt to defy the law of gravitation we pay the price, so, if we continue to put measures upon the Statute Book which flout those great principles underlying the production and distribution of wealth, then we as a nation must pay the price. The pages of history record the fact that nations greater than the British Empire have decayed because of their violation of economic and moral laws. Unless we are prepared to take lessons from history and gain from experience, then our present civilisation will decay also. Professor John Dewey, the famous professor of philosophy at Columbia University, made the following striking statement:—

It would require less than the fingers of two hands to enumerate those who, from Plato down,

rank with Henry George among the world's social philosophers. . . . No man, no graduate of a higher educational institution has a right to regard himself as an educated man in social thought unless he has some first hand acquaintance with the theoretical contribution of this great American thinker.

There you have one of the greatest philosophers of his age, as also Professor Nicholas Murray Butler, insisting that no person who claims to be educated and takes an interest in the well being of society can support that claim unless he has some first hand understanding of the philosophy and economic teachings of Henry George. I ask members to give some consideration to those great principles and to realise it is no incentive to a man to produce wealth if it is to be taken from him by taxation. I hope that before this House is called upon to face the electors in 1933 the Government will realise their responsibilities to the wealth producers of South Australia. Seeing that they have now to a certain extent cast off the shackles which have bound them to the Trades Hall, I hope they will take courage in their hands and advocate those principles which make for social reform, thereby emblazoning their names on the pages of history as those who did something for their fellow men.

