
THE PREMIERS' CONFERENCE.

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

PLEA FOR LAND VALUES TAXATION.

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

Mr. CRAIGIE—I have listened with considerable interest to the various ideas expressed by the members who have preceded me. I intend to approach the question before us from an altogether different angle to those which have been placed before members up to the present. We all realise from the details which were supplied by the Premier that we are living in very serious times. An effort has been made by various speakers to allocate the blame to members of one political party. They charged their opponents with being responsible and their opponents have retorted that it was the other Party that is at the bottom of the trouble. So far as my Party is concerned we are free from any responsibility in connection with this matter. It is only during this session of Parliament that my Party has been privileged to advocate its views from the floor of the House though we have tried to inculcate the lines on which social salvation was to be attained for many years before we were represented in this Chamber, but unfortunately, members of this House, being bound by Party shackles, were unable to follow the policy which led to freedom. We were told by the Premier that it was very necessary that this conversion loan should be a success, so as to get Australia out of its present financial morass. Everyone is anxious that the loan shall be a success, but the voluntary principle in seeking to reduce interest is not going to be very satisfactory. I hold that interest rates cannot be reduced by Act of Parliament. You must at all times allow the law of supply and demand to determine that particular question. Why is it that interest rates have soared to the high rate we find them to-day? It is due to the fact that the Governments of Australia have gone in for a very extensive borrowing policy, and as a result of the big demand for capital, interest rates have automatically increased, which has meant in turn additional burdens being placed on the wealth producers of the country. As the Premier mentioned many of the loans that have been floated were free of income tax and as a result of that we know that certain individuals found it very profitable to withdraw their money from the ordinary channels of production and put it into Government bonds, because on tax-free loans they obtained the

equivalent of about 8 or 10 per cent. interest on their money. It necessarily follows if people could earn that high rate of interest by putting their money in Government bonds that when the private producer had to seek capital he had to pay very heavy rates for it. It is only as we increase the amount of capital available and reduce the demand on the part of the people for capital that interest will come to a lower level. The Premier said it was necessary that we should get men back into industry so that they might pay taxation. According to that those people are to be put back into industry not for the purpose of enjoying the fruits of their labors, but so that the Governments of the future will have an opportunity of extracting by taxation the return of their labor from them. Then again we are told that the reduction which is to take place in the old age pensions will be balanced by a lower cost of living. I cannot understand any person in authority or any person who knows anything of the working of economic laws claiming that we are going to have a lower cost of living. Has not the late Premiers' Conference decided that the sales tax and the primage tax shall be increased? If these taxes are imposed upon the necessities of the people that extra amount must be added to the cost of living plus the profit made on it by the retailers and wholesalers who supply the goods. There seems to me to be no possibility of lowering the cost of living by this scheme in order to compensate those who will receive lower pension rates. Then we are told that the maternity grant is to be reduced and that certain people, if in receipt of a certain amount, shall not participate in that grant. My idea is that if the country is going to have motherhood endowment at all it should apply to all sections of the community, because all sections have to contribute the money necessary to meet the payment. It is an absurdity for the Commonwealth Government to offer a £5 bonus for motherhood endowment for the purpose of increasing the population of Australia and then to impose taxation amounting to £8 per head every year that the child is in existence. It would be far better if they abolished that taxation and totally abolished the maternity grant. We were also told that these burdens should fall as equally as possible on every one and that no

section should be left in a privileged position. The Premier emphasised the fact that equality of sacrifice was the strong point of the scheme. Now we are given to understand, by press reports and statements that have been made to us, that the Plan which has been put forward is the result of the deliberations of all the heads of the Governments of Australia, assisted by a committee of legal experts, a committee of financial experts, and a committee of economic experts. I have not very much time for professors of political economy of the orthodox school. Political economy is an exact science, but, unfortunately, as far as the universities of the world are concerned—

Mr. Anthony—An exact science?

Mr. CRAIGIE—Yes, an exact science. It is the interpretation of the science by the so-called professors which is causing the trouble at present. I have no hesitation in saying that political economy is the one subject taught in the universities to-day which is not taught on a scientific basis, which is mainly due to the fact that the universities at present are largely subsidised by vested interest, and nothing is taught in the way of economics that is likely to interfere with the privileges of that class.

Mr. Anthony—How do you make that out?

Mr. CRAIGIE—I could give the honorable member a copy of a book called "False Education in Our Colleges and Universities," where facts are given to prove that statement up to the hilt. I am quite satisfied that until we do have political economy taught on sound lines we are not likely to get out of the trouble in which we find ourselves.

Mr. Anthony—Has the honorable member ever listened to a lecture on political economy at the University?

Mr. CRAIGIE—Yes, I have, and I have also had the privilege of addressing the students at the University on the principles of land values taxation, with Professor Mitchell in the chair and Dr. Jethro Brown as one of the audience. I was subsequently informed that the discussion which followed that address was the best they had had at the University, and the hope was expressed that it would not be long before I was invited again. The big hat, however, was put on that, and I have not been there since. Dealing with the question of equality of sacrifice by all sections of the community.

Mr. Blackwell—It is not possible.

Mr. CRAIGIE—I think it is, but not on the lines indicated by the Plan of the Premiers' Conference. The first question of those seeking

rehabilitation is always a reduction in the wages of labor. I am totally opposed to a movement along those lines. I believe the wages of labor are altogether too low at present, and also that the people are being denied the right to receive wages at all. That phase of the question has not been touched upon by any preceding speaker, and, therefore, I propose to go into it at some length later. Dealing first with the question as to what is necessary to bring about a reorganisation of our economic and financial position, I candidly confess that after carefully reading the Plan put forth by the Premiers I do not see anything in it which is going to make conditions better. Even supposing that the conversion loan of £550,000,000 is the success that every person is anxious to see it, then all that is suggested is that having restored confidence in the community we shall be able to borrow another £12,000,000. We are in the trouble we are in to-day because of the excessive burden of taxation.

The Treasurer—What suggestion is there to borrow £12,000,000?

Mr. CRAIGIE—I understand there is a suggestion to borrow £12,000,000 for the rehabilitation of the farmer and primary producer, and for the purpose of dealing with the problem of unemployment.

The Treasurer—Eight and a half million pounds, and a large portion of that has already been used for the purpose.

Mr. CRAIGIE—Whether the amount be £12,000,000 or whether it be £8,000,000, the point is this, that we have been borrowing too extensively, and as a result of that borrowing we have increased our interest obligation. As a result of the increasing of our interest obligation we have built up an excessive load of taxation, and as taxation can only be paid out of production we have strangled production in Australia. To suggest that the industry that has been carrying the excessive burden can be put upon an equitable productive basis by borrowing still more does not seem to me to be a logical proposition.

The Treasurer—You cannot legally shut out borrowing. There must be some borrowing to carry on public works.

Mr. CRAIGIE—I am not so keen on borrowing proposals, and I will indicate where you can find some money to do your public works on a proper basis. I am not an advocate of taxation. I am opposed to taxation of all kinds. Under a proper system of society you do not need to pay taxon. If we work in accord-

ance with the principle of economic law we find there is a natural fund sufficient to defray the whole cost of government. Unfortunately, we have departed from those sound economic laws and are paying the price in the crisis confronting us to-day. The way whereby we can put Australia on a proper basis is first of all to set the primary industry on a sound footing. We have been in the past spoon feeding secondary industries, and as a result of that spoon feeding we have brought disaster upon those who make for our national well being. The total wealth production in Australia was £447,000,000. Out of that amount approximately £300,000,000 represented the value of primary production and £150,000,000 represented the value of the production of secondary industries. Another feature that we must consider is that the value attached to secondary production is in reality an inflated value brought about by reason of the tariff created to protect secondary industries. Further, in calculating the value of secondary production the cost of repair work is included. Therefore we see that the secondary industries are not of very much account. I do not on that account say that we should not desire to have any secondary industries here, but there is no justification for attempting to spoon feed them if by so doing it is going to bring disaster upon those which are beneficial to the country as a whole. I took the trouble some time ago to tabulate the effect of protection in relation to 12 industries enjoying a protective tariff. I found there were 72,921 people employed, whose wages amounted to £12,458,000. The extra price we paid for those 12 commodities because of the tariff policy was £27,900,000. In other words as an economic proposition it would have been better for the people of Australia to have pensioned off those 72,000 workers, given them 12½ million pounds a year to sit down and do nothing and to have bought those commodities under free trade conditions, and then we should have been £15,000,000 better off.

Mr. Blackwell—Were there no other advantages?

Mr. CRAIGIE—No. The Premier's Conference missed an excellent opportunity for impressing upon the Federal Government the urgent need for a complete revision of the tariff policy on a downward scale.

The Treasurer—That will have to come later.

Mr. CRAIGIE—There is no time like the present. On looking through the reports of the Conference we find no reference to the tariff looms largely in the discussion which took place, and yet it is of paramount importance. Before the ship of State can be placed upon an even keel the tariff policy and the Arbitration Courts must both be scrapped. I know I am running counter to some of the views held by honorable members opposite, but I am not concerned with that. I believe that even on that side quite a number of people are beginning to realise that the Arbitration Court as a means of increasing the wages of labor is really a huge confidence trick which has been placed upon the people.

Mr. Blackwell—Have you something else better?

Mr. CRAIGIE—Yes; I will tell you that later. The Premier was very strong in indicating in his remarks that any person who had criticism to offer should present an alternative policy. No person has a right to criticise at all unless he can do so. Therefore, having something of a practical nature I believe I am justified in rising to give the Government the benefit of my opinion. The nationalisation of banking is one of those principles which find favor in the eyes of some, but no person who understands the principles of banking would worry himself 10 minutes in regard to that matter. I know that the nationalisation of banking has an attraction for some people. I know also that some people think that the use of paper money is very beneficial to society. Mr. Butterfield thought that if we had £20,000,000 of paper money and we created a sinking fund which would absorb that amount in 20 years it would enable us to discharge our obligations. There are others who hold the erroneous idea that if you print plenty of paper money you can build public works and nobody will have to pay for them. I have heard one distinguished statesman in the Federal House, Mr. Yates, say that the East-West line was built out of paper money and did not cost the taxpayers anything. If we can do that it seems that we are wasting a considerable amount of effort in working as we do at present. If we had this £20,000,000 we could save interest that is paid if we float a loan of £20,000,000, but what happens is this, that the printing of £20,000,000 of notes for the purpose of providing public utilities brings about an increased currency to facilitate the exchange of a given quantity of commodities, and where you increase your currency over the amount required to facilitate the exchange of

commodities, prices rise and the people with the largest families are the ones who would pay. Inflation, as an economist once said, is the devil in disguise, and the sooner we get rid of these inflation ideas the better it will be for all concerned. We are troubled to-day with a very grave unemployment problem. Not much has been said in this House with regard to unemployment. Certainly when indicating his policy the Premier told us there were about 360,000 people who needed employment at present. I believe the number is much greater, and in addition to those completely out of a job we also have a great number working on short time. We cannot expect anything but depression whilst we have 360,000 or more idle people in our midst who have to be kept by the labor of those who work. We cannot expect prosperity or success in business while the purchasing power of the people is blocked in this manner. It seems to me that the main fundamental question which will have to be considered by the Premiers of the States and the Federal Parliament is the solving of the problem of unemployment on right lines. I hold quite different ideas from many people on the question of unemployment. Some think it is their natural right to go to some other man and say, "Please give me a job." Some think it is the function of the Government to find work for the people, but I disagree with that contention. It is not the function of the Government to find work for an individual. It is the function of the Government to see that natural resources are made available in every possible way so that people may produce, and that when they have produced they are safeguarded to the full capacity of their labor. Governments have miserably failed in that regard, but to-day we have a more general recognition of the fact that there is a close relationship between the land question and the labor problem. We find our distinguished Leader of the Opposition writing a special article to the "Advertiser" in which he proposes a back to the land policy as the solution of the problem of unemployment. We even find there are some philanthropical people in Adelaide meeting in committees for the purpose of forming companies whereby they may exploit the labor of the unemployed at present, utilise their services to clear land and add to the value, and the companies then pocket the results of the other fellow's labor. I am not enthusiastic about such a scheme as that or proposals to buy back the land of the country, because in the first place, under British con-

stitutional laws the land of our country is never completely alienated from the Crown at all. Further, it is the duty of every individual who holds land to see that that land is put to its best use, and you cannot put land to its best use unless labor is applied to it. Unfortunately, many persons have procured land in Australia not for the purpose of using it in production themselves, but for exploiting the labor of other people and getting rich without work. They have been most admirably assisted in that particular line of action by all political parties in the political arena. Labor has been equally guilty with the Liberal Party so far as giving permission to these people is concerned. Sometimes we know that when a disease has become somewhat chronic the medicine needed for its cure is frequently very distasteful, therefore, if members get medicine this afternoon which may be somewhat distasteful to them I hope the effects will be productive of much good. The question we have to concern ourselves with is how can we get into employment those people who are now out of a job. We must realise that whilst we have approximately half a million people out of employment they have no purchasing power. We must also admit that so far as those people who are actually employed are concerned, if Governments and privileged manufacturers take 10s. out of each pound those people earn by public and private taxation, they cannot have that 10s. to buy commodities, and business of necessity must be bad; therefore, we have to increase the purchasing power of the people. But you cannot increase that purchasing power without giving them employment and allowing them to enjoy the full fruits of their labor. I am intensely surprised that a Party which claims to a special degree to be the upholders of the rights of the working class has consistently throughout its political career never hesitated to tax industry, to tax food and clothing, to tax the general necessities of people, and allow the natural revenue to remain in the pockets of private individuals.

Mr. Blackwell—You are forgetting that that Party has never been able to function up to date.

Mr. CRAIGIE—The honorable member must have a very short memory, because during this afternoon's debate it was said that Labor had complete control during the period 1910-1912. If the honorable member will look up the records of the Labor Government at that time he will find that during that three-years through the taxation imposed on the necessities of life

the purchasing power of the pound was reduced by 3s. 4d. In other words, wages at that time which were approximately £3 a week were reduced 10s. a week under Labor rule.

The Treasurer—In those years was not the progressive land tax brought in?

Mr. CRAIGIE—The least said by the Premier regarding that the better it will be for him, because I regard the progressive Federal land tax as one of the most iniquitous measures ever placed on the Statute Books of this country. It is purely a class tax, animated by prejudice, and has no principle of justice behind it. In order to smoothe to country producers an exemption of £5,000 was placed in that Act.

The Treasurer—It was placed there so that the States might have some field.

Mr. CRAIGIE—It was placed there with the express purpose of placating Labor members in country districts, who were afraid to go to the country and defend an all-round tax. The Treasurer shakes his head. I direct his attention to the fact that Labor did succeed a few years ago, at a general conference in Sydney, in deleting the £5,000 clause. Immediately that clause was deleted, country Labor members got busy, and a special conference of the Labor Party was convened four months later. The argument advanced in favor of cutting out the £5,000 exemption was, "We cannot go to the country people and defend these taxes." As the result of the representations made by country Labor members at that time, the £5,000 exemption was deleted once more.

The Treasurer—They removed it so that the States could use that field.

Mr. CRAIGIE—I read the conference reports at that time very carefully and it was because of the fact that the Labor members did not dare to go back to the country and tell the people that this was the correct system that the clause was deleted. You started with a very fine decimal point of a penny on each pound of land values over the £5,000, working up until you got 9d. in the pound where estates were valued at £70,000 and over. That certainly is class taxation. The Federal land tax has done more to discredit the principles of land values taxation in Australia than anything I know of. I would have been better pleased if the Act had never been passed. Seeing that it is necessary to get our people into employment, why should we not do something as a House and see that every other Parliament in other States does its best to put land to its

best use? As has been pointed out this afternoon, the land has had a big increment in value in recent years because of the expenditure of public money. We have contracted this huge debt exceeding £1,100,000,000. We know that several hundred millions was blown in smoke and used for destructive purposes in the great war. The balance was spent in connection with railways, roads, water, and lighting services, and things of that nature. As Mr. Butterfield pointed out, as the result of the expenditure of this public money the values of land in Australia increased to an alarming extent, but we have allowed that huge increment in land values to flow into private pockets, and then we have taxed the wages of labor and industry generally to meet the interest on the capital cost of those things.

Mr. Giles—Values have gone down to-day.

Mr. CRAIGIE—They have not. This increment in value is not known only to those people whom we know as single taxers. We have to-day a recognition from Mr. Butterfield that he, as a member of the Labor Party, realises that. Members on both sides realise that some people have been getting something for nothing. Let me quote from a late Leader of the Labor Party, the Hon. John Gunn, when speaking in this House. He said:—

I do not know how we can overcome one phase which struck the Railways Standing Committee, namely, that some of the land is held by men who make no attempt to work it. For the most part the men who hold the land along this proposed line are men struggling very hard.

Then he makes this astounding statement:—

I would have no objection to the majority of them having any unearned increment resulting from the railway. What I do object to is coming on a block of, say, 5,000 acres, which is not being utilised in any way. Then, when we ask the farmers, who are endeavoring to get the railway, who owns that block, they state that it is some city man. Probably the owner has done nothing but put a ring fence around it, and holds it on an option of purchase at a small rental. The largest block we came across in Moorook, which was unutilised, was 7,180 acres. It is fair to assume that 6,000 acres of that would be good agricultural land. When a railway comes along the holder will be able to cut up that area into six farms, and the provision of the railway will mean an increase in the value of the land to him of at least £1 per acre. Members can see what it means to landholders of that description. Not only in this district, but in every district we visited, we questioned nearly every farmer who came before us whether he would advise legislation to compel holders of these blocks, which they say are merely harbors

for vermin, to utilise them or get rid of them. Over 90 per cent. of the farmers we questioned said they would recommend legislation to prevent the holding of these large blocks idle. In the hundred of Mantung there is one block consisting of 9,050 acres, and I do not think any use is being made of it. I put it to honorable members, why should I, if I owned 10,000 acres which I had never touched, be able to put £10,000 into my pocket through the expenditure of public money on a railway? I would have no moral right to that money at all.

There you have a straight-out declaration by the Leader of the Labor Party at that time that this increment in value brought about by the expenditure of public money in the construction of the Wanbi-Moorook railway was putting amounts ranging from £8,000 to £10,000 into the pockets of certain private landowners, city speculators who were not using the land at all, and yet that same gentleman made no definite attempt to take those values for the benefit of the people who created them.

Mr. H. J. George—He knew what was wrong.

Mr. CRAIGIE—The man who knows what is wrong and refuses to do the right thing is a moral coward.

The Treasurer—Bills were sent to another place for increasing land tax, but were defeated.

Mr. CRAIGIE—Whatever Bills have been sent from this House to the Legislative Council, the Governments which sent them there always had a tender solicitude for the landlord class. They have always asked for a miserable farthing increase in land tax, while they have been content to put 1s. in the pound upon the wages of labor, therefore it seems to me that there has not been much sincerity behind it. Not only has the Labor section of the House expressed this opinion, but we have Mr. Reidy saying:—

The cry of every settler was that the large landholder in the district who did not use his land was a menace to proper settlement, because he did not provide the necessary population, and those who were cultivating were thus deprived of a school and other facilities which would have been provided if the land were fully settled. There are several large landholders in this district. One of them holds an area of 4,000 acres, of which he has made no use, and by the provision of this railway his land will be increased in value some £2 per acre. Then he will be able to sell the land at the added value that the railway put on it. It is extraordinary that the progress of the district should be held back through men being able to take up big holdings and hold them year after year until the sufferings of the people who are utilising their land compels us to build a railway. It is outrageous that such people should be permitted to get, as it were for nothing, from £7,000 to £8,000 through the building of a railway.

Despite these statements from members of the Railways Standing Committee no definite attempt has been made to fight the Legislative Council to try to get those added values for the benefit of the people. I have before cited one absentee family who bought four land orders for £324, and up to July, 1928, had been able to take out of South Australia, from sales of portions of that land and rent for the remainder, approximately £1,000,000, and not one member of the family has ever set foot on South Australian soil. Is it to be wondered at that we have run into a dead end from the financial and economic standpoint when we allowed these huge publicly-created values to go into the pockets of people who had not created them? Although the conversion loan may be a success, unless we relieve the taxation burden, collect rental values of land for the benefit of the public Treasury, and use the money for the benefit of the community which has created the values, we shall have a recurrence of this depression in two or three years. Some people say, "Have you a sufficient fund"? We are taking in taxation from the producers of Australia approximately £90,000,000, and out of that sum the Federal and State Governments are collecting only £4,870,000 on the unimproved value of land. In other words, we are taking about £5,000,000 of revenue from its natural source and levying a burden of £85,000,000 upon industry. Is it any wonder that industry is breaking down under the strain? Some people say that land has no unimproved value to-day, but if you were to ask those people to sell land they would have different ideas of the value of land for taxation purposes and its value for sales purposes. If we could put the economic position of Australia straight, land values would immediately boom again. If we got a rehabilitation policy which would put industry on a sound basis, and got the wheels of industry going, practically all the advantages which would accrue from the reduced interest rates would be capitalised by the landlord class in the form of increased rent. We have approximately £1,400,000,000 worth of unimproved land values in Australia, of which the annual rental value is £70,000,000. Taking the whole of the figures for Federal, State, and local government purposes, we are securing about £18,000,000 of that £70,000,000 for public purposes, and the private individual is appropriating to himself the other £52,000,000. It is because we allow those values to go into private pockets that we are levying an unfair tax upon industry to-day.

Mr. Giles—The present owners have paid pretty dearly for their land.

Mr. CRAIGIE—If they have paid it it was to some individual who had no right to take it. Further, when a man buys land under the British constitutional law he buys it on the distinct understanding that he is liable at any time to pay the full rental value of the land into the Treasury if the Government have the courage to ask for it. Members speak about what has been paid by the landlord and say that because he has paid for his land it should be sacred to him, but they do not apply the same line of argument to the bondholder. They do not hesitate to ask him to take a lower rate of interest, and thus violate the contract the Government made in respect of it. In one case the bondholders has a right to his interest, in the other case the landlord has no right to appropriate the rental values of land. There were four professors of political economy guiding the economic aspects of the Premiers' Conference. They are supposed to be specialists in economic law. They know there are three factors engaged in the production of wealth—land, labor, and capital—and they know that wealth is distributed in the form of rent, interest, and wages. They suggest that wages should be cut and that interest rates should be cut, but they are absolutely silent on the third factor—rent—suffering a reduction. Then they talk about the equality of sacrifice.

The Attorney-General—Why did not you try to convert at least one of the experts?

Mr. CRAIGIE—I have not had the pleasure of coming into contact with them, but I advised the Premier when he came back to Adelaide for the week-end that there was need for a cut in the rental values of land, and asked him to carry my suggestion back to the Conference as a recommendation from me. Whether he carried out the trust I reposed in him I cannot say.

The Treasurer—You did not carry out your part of the contract. I asked you to let me have your memorandum.

Mr. CRAIGIE—It could not be prepared and delivered in the time I had at my disposal. I had the idea that the Premier was so fortified with information on land tax matters that it was only a matter of refreshing his memory on the point and he would rise to the occasion and be the hero of the day as the one man at the Conference who was a practical politician. I have been disillusioned in that regard, but hope that even at this late hour he will see that we cannot settle our unemployment problem until we

bring idle lands and idle hands together. If we do not do that there is no possibility of an increased purchasing power. We cannot break down the monopoly of natural resources which is taking place unless we call upon the people who hold these natural resources to pay rental values into the Treasury. When we do that we have the alternative policy to the bogey of the Arbitration Court, because, although it appears to me that a number of Labor members have not yet realised the wonderful relationship between land and labor, the privileged section of society know it to the fullest degree. The following are extracts from an official document sent by the South Australian Commissioners to the Secretary of State for the Colonies in 1836:—

It is essential to the prosperity of a new colony in which there are neither slaves nor convicts that there should be a constant supply of free laborers willing to be employed for wages. If there be not a constant supply of labor for hire, no extensive farm can be cultivated, no large or continuous work can be carried on, and the capital imported must perish for want of hands to render it reproductive. . . . Now in order to secure that constant supply of labor for hire two things are necessary: it is necessary that the requisite number of laborers shall be conveyed to the colony, and it is necessary, when so conveyed, they should continue as hired laborers until the arrival of other emigrants to supply their places in the labor market. . . . Hence, in determining the proper price of public lands in the new colony, two points have to be considered: First, the price necessary to convey to the colony the number of laborers required to cultivate the land in the most profitable manner; and, second, the price necessary to prevent the laborers so conveyed from acquiring property in land before they had worked for wages for a sufficient period. In order to accomplish the latter object, it is not improbable that, at an early period after the arrival of the Governor, it may be desirable to raise the price of public lands over one pound per acre. . . . Without either slaves or convicts, capitalists of every description will obtain, without cost, as many laborers as they wish to employ; and engagements which laborers may make for a term of service will be maintained. The means of securing all this is a proper price for land.

Those people in the early days realised that the men who control the land of a country control the destinies of those people who must get access to land for the purpose of getting sustenance.

Mr. Warne—That was why they instituted the Legislative Council to protect them.

Mr. CRAIGIE—That is a bogey. No definite attempt has been made by this House to fight the Legislative Council. When the members of this House have come in conflict with the Legislative Council they have hoisted the white flag and run away in dismay. Other countries are troubled with wage and labor problems the same as we are. They have such a problem in Africa, but there the trouble is that they have not sufficient men for the jobs available. Certain distinguished gentlemen who want to exploit labor are much concerned about that fact. In British East Africa there is an area of 189,000 square miles, and a population of 4,000,000, of whom only 3,200 are Europeans, and they cannot induce their poor black brother to come out and be exploited, because he has access to the land. A report which may be seen in the Library of the Colonial Office in England shows that Lord Delamere, owner of 150,000 acres, said:—

If the policy was to be continued that every native was to be a landholder of a sufficient area on which to establish himself, then the question of obtaining a satisfactory labor supply would never be settled. He considered the soundest policy would be to curtail the reserve, and although it might take a few years before the effect on the labor supply was apparent the result would be permanent.

and so you get man after man coming along and testifying that these poor blackfellows refused to be exploited by British and other capitalists because they had a land reserve, and could go there and produce the things necessary

for their wants and desires. They had no trades unions or parasites on their backs and no Arbitration Courts or Factories Acts, but they had access to the natural resources. If the white men of Australia would shed the superstitions which are troubling their minds and concentrate on the application of natural laws to their social affairs they would not be in the fix they are in. We want a reduction in the cost of government, but there cannot be much reduction so long as the present indirect methods of taxation are retained. We penalise the producers by stealing from them by means of an income tax and keep a horde of taxation officials to see that the returns are correctly filled in. Further, so long as it is a crime to run a motor vehicle we shall have to keep 40 or 50 men, who are carried on the backs of the producers, to see that the law is observed. The only way to lower the cost of government is by a complete re-organisation of taxation, so as to cut out all present methods and substitute one taxing authority for Federal, State, and local purposes, taking the revenue from its natural source and cutting out all artificial systems. Our present system of taxation and unjust laws are strangling production and the only remedy is to make the land the only source of taxation. We should free the producers and the country from a system of taxation that is uneconomic and morally wrong. Do this—take taxation off the tools and implements of production and stop stealing the people's labor, and then our difficulties will disappear like mist before the rising sun, and the ship of State will ride into the safe harbor of national prosperity.

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