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ADDRESS IN REPLY DEBATE.

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

(MEMBER FOR FLINDERS DISTRICT.)

In the House of Assembly, on 1st June, 1938.

THE POSITION OF INDEPENDENTS
ROADS AND MOTOR TAXES
THE HOUSING PROBLEM
TAKING LAND RENT FOR PUBLIC PURPOSES

[Reprinted from *Hansard*.]

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

Mr. CRAIGIE (Flinders)—I join with other members in conveying my hearty congratulations to you, Mr. Speaker, upon your re-appointment to the position you occupy. I have had the pleasure of sitting under your guidance for five years. Every member will agree that you were most impartial in your rulings during the term of the last Parliament, and I feel sure that that impartiality will be made manifest during the life of the present Parliament. I also congratulate Mr. Rudall upon his appointment as Chairman of Committees. It is one of the most important positions in this Chamber, and the member who occupies it must have a wide knowledge of the Bills which are being discussed, and he must make a close study of all amendments. With the legal ability and general knowledge that he has Mr. Rudall should fill the office in a worthy manner. I also congratulate the Hon. T. Playford upon his appointment as Commissioner of Crown Lands. I was hopeful that, as the result of his sitting in the House for five years and listening to the arguments which I have advanced from time to time, the light would have dawned upon him at this early period of his Ministerial career. With the idea of ascertaining whether good results had accrued from the evidence I have submitted from time to time, I felt impelled to ask him a question on the opening day of Parliament. I am sorry to have to admit that the reply I received was in the non-committal manner that is characteristic of Ministers who are bound by Party shackles. Although I was somewhat disappointed in my initial effort to get something like the right principle from the new Commissioner of Crown Lands, I realise that he is young and that there is yet hope for him.

Mr. Lacey—Will you persevere with him?

Mr. CRAIGIE—I will, as I have persevered with the late Leader of the Opposition. I do not feel that it is a waste of time to persevere with any member. Quite a number are walking in the path of darkness and it becomes necessary for some person to spread illumination before them so that they may be in the position to legislate properly in the interests of those whom they claim to represent.

The Hon. G. F. Jenkins—Everybody but you is out of step.

Mr. CRAIGIE—I am glad to see that the honourable member, who is perhaps almost beyond redemption, has been interested in listening to comments made by the leader of his Party and also the Leader of the Opposition concerning Independents. I remember the words, "Will you walk into my parlour said the spider to the fly?" which I learned during my school days, and I am hoping that the Independents will realise that there are political spiders which have to be feared as well as the spiders we learned about in our early days.

The Hon. G. F. Jenkins—Is that why you were using soft soap when referring to the Commissioner of Crown Lands?

Mr. CRAIGIE—No. I realise there is only one thing that will make an impression upon him and that is sound commonsense and reason, and he knows exactly from what section of the House he can expect that. It is interesting to notice the great amount of attention paid to Independents in this House, particularly by our friends on the Liberal side. When one understands the overtures which are being made at present and then carries his mind back to pre-election days one wonders what is responsible for the great change in the minds of members opposite. I carry my memory back to a short time ago when the Minister of Education made his historic visit to Springton for the purpose of making a violent attack on Independents. Then he did not have a great regard for those who stood outside the Party fold. A little later Mr. Rudall had a lot to say about "fragments" and "flotsam and jetsam washed up on the political shores," and he remarked that Independents were neither flesh, fish, nor good red herring. Later even the Premier was so anxious to show his tender regard for the Independent section of political thought that he was kind enough to refer to them as "mistletoe," a parasitical growth on the political life of this State. One is surprised, to say the least of it, to think that members opposite, who could not see any virtue in Independents at that time, now that the electors have shown that they have not that amount of confidence in the Party leaders that they thought they had, are now throwing out S.O.S. signals to Independents to save them from the political disaster which threatens to overtake them. I am surprised to think that members opposite

should change so quickly and find virtue in the section which they hitherto condemned. Probably it is not to be wondered at that they are taking this attitude, because we have heard the old proverb that a drowning man will clutch at any straw. Therefore, as the Government feels it is near to the drowning stage it is very glad to clutch at anything which may apparently save it from disaster. Not only did the Liberal section of the House have something to say in regard to the shortcomings of Independents, but if my memory serves me aright Mr. Lacey on a certain historic occasion could not find anything good to say about Independents. Since the election I have not had any evidence that there is any change of heart on his part. He has not evidenced any desire to become associated with the Independents, possibly because he feels there is no hope of that body of political thought supporting the formation of a Labor Government. Why is there this change in the minds of members opposite? We have heard practically every Liberal speaker say it was only natural that the Independents should support the Liberal and Country League because that was practically the intelligent side of the House, the section which had been responsible for bringing prosperity to the State. I have always been proud to plough an independent course. On some occasions I have been found voting on the side of the Liberal Party, and at other times on the side of those associated with Labor, not because I have any particular regard for the policies of either side, because I regard both as being bad, but because certain principles were involved, and naturally as one who has always put principles first I had to vote according to what we hear so much about—conscience.

I have listened with considerable interest to this debate, and before analysing some of the statements made, I desire to offer a word of warning to new Independent members. To them I say, "There are certain people who will talk to you in varying endearing terms. If possible they will try to persuade you that you are the salt of the earth, that is so long as they require your assistance, but make no mistake about this, whether it is the Labor or Liberal man who during the life of Parliament says nice things about you for the purpose of getting your support on a particular measure, one must never lose sight of the fact that when the next election campaign is being fought he will for-

get all the good kind things he said about you and will go out to put the political knife into you as deeply as he can and will not be particularly careful as to the means he adopts." I have had experience of that in my own district. This good kind Liberal Party not only sent its representative to my district, but so that he should not feel lonely in the fight Federal representatives accompanied him. As they could not find any legitimate argument to put before the electors as to why I should not be returned to this House the only thing they could find to say was, "If you return Craigie to Parliament again with his free trade policy the country will be flooded with black labour goods and every industry in South Australia will be closed down." These distinguished members of the Liberal and Country League who made that erroneous statement—I use that term because I am not permitted under the Standing Orders to use the expression I would like—knew as well as I knew that, assuming there were 39 members returned to this Chamber with the same political belief as myself, and we had control of the other place as well, we had no power in this Parliament to flood Australia with black labour goods and close up the factories as alleged. That was the strongest argument they could put forth to prevent my coming back into this House. Fortunately the people of Eyre Peninsula are well grounded in political principles, and if any ordinary Party man goes to that district for the purpose of pulling wool over the eyes of electors he cannot get away with it as he could in the benighted districts which return Liberals to this House. When these gentlemen could not get a hearing along that line they adopted different tactics and said, "Oh, Craigie is all right, but he is in the wrong place. You should put him out of Parliament at this election so that he can take his proper place in the Federal Parliament where he ought to be." They thought so much of me that they wished to transfer me from the State arena into Federal politics—anything to get rid of me. In addition they got a reverend gentleman to follow me to several meetings to show how Christian he could be, but not withstanding that I am still here and I hope to remain here for quite a long time.

Mr. Robinson—We all hope that.

Mr. CRAIGIE—Mr. Robinson is particularly anxious to retain me in this House. He was good enough to say in his speech that he stood

by the Liberal Party because his inclinations were Liberal and he believed in private enterprise. He said, "We oppose bitterly and loathe the very idea of the socialisation of the means of production, distribution and exchange." A very fine sentiment indeed. I say "Amen" to every one of those sentiments and claim that I have always consistently fought against the socialisation of the means of production, distribution and exchange. I believe that if ever such a policy as that were placed on the Statute Book of any country it would have a tendency to reduce people to a state of barbarism in a very little while. Having said that he went on to say:—

Last year, when given the opportunity, by means of the Commonwealth Government's referendum proposals on marketing, to fix a home consumption price of 4s. 6d. a bushel, the proposal was rejected by an overwhelming majority. With Mr. Charles Hawker and other members of the Commonwealth Parliament I did all I could to urge the people to accept those proposals.

Mr. Robinson—Hear, hear!

Mr. CRAIGIE—Does not the honourable member see the inconsistency of saying that he believes in the virtues of private enterprise and does not want anything of a socialistic nature, and immediately contradicting himself by asking that a socialistic Government shall prop up the private enterprise of wheat growing by giving a guaranteed price for wheat, which can only be maintained by a process of robbing Peter to pay Paul? A man who really believes in the true principles of Liberalism will never be found advocating any measure which will have the effect of calling upon one section of the community to pay an additional price so that another section shall get a privilege at its expense.

Mr. Robinson—A return for the frightful tariff we have to carry as primary producers.

Mr. CRAIGIE—The honourable member will give me credit for not being unaware that we have a tariff policy in Australia. On several occasions I have mentioned that fact within the precincts of this House, but I have always insisted that if the tariff is the cause of the trouble—as my friend and I agree—why do we not concentrate our efforts upon removing the cause instead of tinkering with the evil effects of a bad social system, which makes confusion worse confounded? His statement does not square with the principles of Liberalism, and I hope he will take this criticism in the kindly

spirit in which it is being offered, because, as one of the Independents—

The Hon. R. L. Butler—Independents?

Mr. CRAIGIE—As one of the independent spirits in South Australian political life I must attempt to save these new Independents from slipping from the path of political rectitude by urging them to stand for sound economic principles. I should like to have said other things about the honourable member, but I have only limited time at my disposal, and am not feeling in good health, so that I hope he will excuse me.

I regret that my distinguished and learned friend, Mr. Abbott, is not in his seat because he is a very valuable acquisition to this House. His share of the debate is always heard with great interest. Unfortunately, owing to an important engagement, I was not privileged to hear the honourable gentleman deliver his oration last night, but I have paid him the tribute of reading the "Hansard" report of it and I was certainly enlightened, and derived considerable amusement as well as instruction. What appealed to me, particularly, was his reference to single electorates. He said, "We thought that the people wanted single electorates and put such a measure through." If Mr. Abbott thought that prior to the elections he ought to have been disillusioned by the vote on March 19, because the electors made it clear, in no unmistakable manner, that they did not approve of the policy of single electorates, but desired some other form of electoral justice. He went on to say "I considered that it was a desirable and proper thing to afford an opportunity to the electors to select the individuals they wanted." I do not know whether Mr. Abbott knew exactly what he was saying, because it seems strange that a gentleman of the capacity of the honourable member should make such a statement. I shall not weary members with a striking analysis of the whole of the election figures, but I have picked out certain districts and examined them from the standpoints of Liberal, Labor and Independents and will deal later with other important sections of the House. Let us consider first the district of Burnside. According to the election figures, 4,194 people in that district wanted Mr. Abbott, but 4,736 said that they wanted somebody else. In the Burra Mr. McDonald received 1,466 votes from people who said that they wanted him, but in the same district 2,241 people said that they wanted someone else.

The Hon. M. McIntosh—What did they say in Flinders?

Mr. CRAIGIE—I will come to that. I wish to be perfectly fair. Transferring our attention from Liberal districts to one represented by Labor we find that in Gawler Mr. Duncan had 1,151 people who wanted him, whereas 2,756 wanted someone else. In Norwood 2,939 voted for Mr. Nicass and 5,756 had other wishes. Nevertheless, he is here, although, according to Mr. Abbott, the people get what they want under the single electorate system. Turning to our Independent friends, let us consider the district of Goodwood. Mr. Illingworth was supported by 2,000 people who wanted him, whereas 5,460 expressed a preference for someone else. Because of the peculiarities of this voting system, however, they could not get what they wanted. In Thebarton, another constituency represented by an Independent, 2,311 electors wanted Mr. Langdon, whereas 6,098 did not require his services. Having dealt with what might be classed as the three biggest sections of the House as expressed by the election results, let me transfer my attention to the other section of political thought which arrogates to itself the dignity of being the only true blue Labor representative in Parliament. Notwithstanding that this distinguished gentleman made a very eloquent appeal to the electors of Adelaide to support him, he was successful in securing only 2,367 votes, whilst 6,816 of the electors said they did not want him. So that the Commissioner of Public Works shall not be disappointed I will now deal with my own electorate in which 1,451 voted for me and 2,704 were opposed to my election. I am not disguising anything, but merely showing the iniquity of a voting system that does not give the electors the representation to which they are entitled. The single electorate system has been tried and has failed miserably.

Mr. Fisk—That is personal.

Mr. CRAIGIE—I am speaking of general principles. I certainly did not go to Glenelg to make comparisons because I took only two examples from each section of political thought. Perhaps an analysis of the Glenelg figures would reveal some interesting possibilities, but I know that Mr. Fisk is a man of tender susceptibilities, and I do not wish to hurt him in any way.

The question naturally arises, if single electorates fail, as every unbiased person must admit, judged by the results of the recent elections, what system will produce better

results? After a fairly extensive study of electoral systems I have not found anything to equal that which members may have heard something about, namely, proportional representation. Under that system the electoral districts are not small, like ours, but include much larger numbers of electors, so that each shade of political thought within each district shall get the representation to which it is entitled. Although we have heard so much about democracy from the Government supporters—it seems strange that it should come from that quarter—one wonders how we can have a democratic Government without correct representation of the people. I have no objection to people being associated with a political Party. All members and electors have the right to their own opinion on political matters, and I should be quite prepared to give all sections that measure of representation to which their numerical strength entitled them. Nevertheless, I realise that there is a large unattached body of electors not associated with either of the big political Parties which has the right to the same proportionate measure of representation as the big Parties, because all electors have to live under the same laws and pay the same taxation. If people have to assume the responsibility of citizenship they must be given the rights of citizenship and a voice in the making of the laws under which they are to live. I hope at a later date to have an opportunity to expound that principle, which I think will be interesting to all sections. Another electoral system is that referred to by Mr. Illingworth this afternoon, and one which, I think, Mr. Macgillivray has mentioned, namely, elective Ministries. We have a peculiar combination in the Assembly in that no political Party or group has a majority. Under a proper democratic system of Government there should be no difficulty in forming a Government. If we had the House elected on a democratic basis by the principle of proportional representation, thus being a correct representation of the views of the electorates, then when the House assembled it could by a vote of all members determine who should constitute the Government. The Government would not be selected by a caucus or an individual member, as is done under the present system. The Government would be responsible to the whole House and not to any single leader. Men would be selected for their peculiar qualifications for administering the departments and if after a little experience it

was found that one member did not come up to the high expectations it would be possible by a vote of the House to remove him and put another in his place without disturbing the whole Government, as is done to-day. We find in various countries that the system of elective Ministries works satisfactorily. We also found that during the World War party governments were disbanded and national governments established in their place, representative of all shades of political thought. It is freely admitted that those National Governments did excellent work in times of war and therefore, if they could function successfully then, they should function equally well in times of peace. I shall have an opportunity later to elaborate on that point. I feel that from the angelic smile on the Premier's face it will not be long before we have him on our side in regard to this democratic reform.

The Hon. R. L. Butler—I would not like to say how long.

Mr. CRAIGIE—I am a member of the Band of Hope and keep on hoping that the hardest sinner will return. I was interested in one or two remarks of Mr. Macgillivray. He was good enough to say there was a growing feeling existing that money should be made the servant of the community and not its master. I have yet to learn that money is the master of the people under present conditions.

Mr. Macgillivray—Ask the Treasurer.

Mr. CRAIGIE—I do not think the Treasurer would give a satisfactory reply which would suit you. It seems to me that money is an inanimate thing and that being so I cannot imagine its dominating a human being.

Mr. Macgillivray—That is a superstition.

Mr. CRAIGIE—Money is not a superstition, but a reality. The function of money, as I understand it, is to facilitate the exchange of commodities and measure values. There is a tendency to attach to money a meaning which is not really associated with it. There is no power in money to exploit the community. As I have frequently pointed out, one can imagine a man going through the world from childhood until death without any money and yet be able to get on quite satisfactorily so long as he had access to the natural resources from which alone sustenance could be obtained. Money to-day is merely the representative of wealth. Money itself is not wealth. It is no more wealth than a title deed is a house. The sooner we realise that the better it will be for all concerned. The honourable member went on

to say that people were demanding schools, hospitals, roads and other public works, but they met with the stock answer, "No money." Presumably in his idea the way out of the difficulty is to work the printing press overtime.

Mr. Macgillivray—No.

Mr. CRAIGIE—And spread money ad lib throughout the community. That is what I have heard suggested.

Mr. Macgillivray—You should not believe all the suggestions you hear.

Mr. CRAIGIE—The one I am referring to is a superstition, and the sooner it is laid the better, because the assumption is that there is no shortage of money and therefore there should be no difficulty in supplying all the things required. In the first place we would be justified in asking who is to provide the money for all the public services suggested.

Mr. Macgillivray—A responsible party, in the shape of a Royal Commission, has already decided that.

Mr. CRAIGIE—I do not think that a Royal Commission has. The honourable member was unfortunate in quoting the particular paragraph of the report, because it was not agreed to unanimously by the commission. The chairman of the Banking Commission and also Mr. Pitt, the then Under-Treasurer for Victoria, strongly protested against the ideas expressed in it.

Mr. Macgillivray—The chairman had slight reservations.

Mr. CRAIGIE—He did not agree to it. I do not regard the Banking Commission's report as the last word on the question of finance. I think that some of the members of the commission have much to learn on the money question. Some people imagined that if sufficient money were made available and all those public works referred to were provided, everything in the garden would be lovely. I particularly stress that if money were liberated by the Government, or the banks, or whoever is responsible for its liberation and all those public works were undertaken without the flotation of a loan or the raising of taxation, what would be the ultimate effect on the community? Would not the liberation of those additional money tokens without there being a corresponding increase in the production of wealth inevitably have the effect of adding to the cost of living? When that did take place would not the men with the biggest families to feed and clothe be those who got it in the neck?

Mr. Macgillivray—Do they get it under the present scheme?

Mr. CRAIGIE—I do not stand for the present scheme, and I am just as much opposed to it as the honourable member. Where I differ with him is that I believe the remedy lies in somewhat different directions from the money question. Mr. Macgillivray was good enough to quote Professor Copland as an authority. Anyone knowing that gentleman knows that he is one of the few political economists who believes in a protective tariff, and would not regard him as an authority on the economic question. Professor Copland was quoted as advocating that through the Loan Council we should maintain and, if necessary, increase the amount of public investments in the form of loan expenditure on roads, public buildings, sewerage, water supply, electricity, and other public utilities. I was surprised to hear the honourable member quote the professor as being in favour of loans for such works. I take it that the honourable member does not believe in the Australian loan policy.

Mr. Macgillivray—I do not.

Mr. CRAIGIE—If not, why quote Professor Copland, who urges an expansion of the loan policy, as a man who can be looked up to as an authority on monetary questions? While we have to live within the system existing to-day, it is no reason why we should boost the individual who has given false advice to the community. We should rather regard it as our duty to point out the sins and failures of that political economist, so that the public might get education on the right lines. Assuming that we followed Professor Copland's advice in spending loan money on roads, sewerage, water supply, and other public utilities, what would be the inevitable effect? Who would get the advantage? Would it be the unemployed, the rank and file of the community, or would it be the landholding sections whose land values would be increased because of the millions spent on those public works? I suppose the honourable member would assume that the unemployed would benefit. They might get some temporary labour whilst the public works were being undertaken, but would it not be better to provide employment for them along natural channels rather than penalise one section so that parasitic sections would grow richer? I am not referring to the bankers, but to the landed class. We have to recognise that the bankers at least render a service to society. They have certain privileges conferred

upon them through legislative enactments, because the people have not yet arrived at that stage of education to see the fallacy of the laws foisted on the Statute Book. As regards the landholding class, they provide no service to society. Their wealth is due to the gift of nature, and they have got in between nature and the individuals who are supposed to participate in its bounty. They levy tribute and demand rent before they will allow a man the right to occupy the soil. Whatever may be thought of bankers, they have a halo of glory about them compared with the landed class, who toil not, neither do they spin; yet they are able to live in the lap of luxury because people have superstitions in regard to the money question.

Mr. Macgillivray—A landed class no longer exists. They are all mortgaged to the banking system.

Mr. CRAIGIE—The honourable member says landlords no longer exist. He should know that within the Commonwealth we have at least £1,400,000,000 of unimproved land values producing an annual rent of £70,000,000 a year. Taking into account all the revenue now received by the Federal and State Governments and local governing authorities from land values, only £18,000,000 out of the £70,000,000 goes into their treasuries, the remaining £52,000,000 going into the landholders' pockets. So long as that £52,000,000 goes into the pockets of the landlords you can change the monetary system as you like, but the landlords will snap their fingers every time at those who run up a dark lane instead of facing up to the things that hurt them. I hope there will be further opportunities of dealing with this important question. Referring to the Governor's Speech, I was impressed with the remarks in clause 4 regarding the continued and increasing prosperity in South Australia. Everybody who knows anything of South Australia must be impressed with its prosperity. As a matter of fact, we have evidence of it in clause 5 of the Governor's Speech, which shows conditions are so prosperous that 13,000 people are receiving sustenance and 6,000 are not able to earn a living for themselves, their wives and families. Let us look at that section of the community which is living in the dry regions of our State. In my district, and that of Eyre, we know the farmers have enjoyed such a measure of prosperity that hundreds of them have been forced off their land. They have given the best years of their lives in an

endeavour to win a living from the soil, but unsympathetic Governments have placed heavy taxation upon everything they require, such as fencing wire, machinery, &c. Exceptionally high rates have been imposed on transport facilities, so after 20 or 30 years of hard struggle farmers have been compelled either to file their schedules or to give up the results of their life work and endeavour to start afresh under adverse conditions.

Mr. Macgillivray—Who takes it from them?

Mr. CRAIGIE—Not the banks. Quite a number of retail and wholesale storekeepers have had to suffer as a result of the failure of the farmers to make good. The banks would probably not have advanced a great amount of money. Some of the creditors, mostly machinery merchants, do not lose as much as would appear on paper. It can be accepted that when a machine is sold and the first payment is made the maker of that machine gets the value of it and all the other payments are in the nature of a rake off due to the Commonwealth protective tariff which is supported by both sides in this House. When we speak of increasing and continued prosperity in South Australia we should have greater regard for the truth, for it does appear on the conditions existing at present that there is no evidence of prosperity, except for a privileged few.

There is really nothing in the Governor's Speech to talk about. It is very barren, and I am trying to do the best I can with the limited material available. Clause 18 says that all motor revenue will be paid into general revenue and appropriated for road purposes. Members know my views on this question. If we are to continue the present bad system of taxation it is only right that the motorists who are penalised because they have a motor car or a motor truck should have the money taken from them expended on roads. In the Cummins district we have a splendid example of what roads should not be. It is difficult in winter time for the farmers to get into town, and on one occasion they were able to do so only by means of boats because of the lakes that had gathered. The roads are in a deplorable state in that district, and sometime ago a deputation of residents waited on the Minister of Local Government pointing out that they were so anxious to do something in regard to the roads that they were prepared to have their assessments issued by the district councils increased, provided the Government came to their

assistance. The Port Lincoln district council increased its assessment and rates to the extent, I think, of 6d. in the pound. The ratepayers were prepared to do their part towards providing good roads. Unfortunately, the subsidy that was expected and partially promised did not materialise. I am pointing this out in the hope that when the Treasurer is framing his Estimates he will not overlook this deserving section, who require so much done for them in the matter of roads. They do not want bituminised billiard table surfaces, but want roads that will enable them to go into the town in all sorts of weather. I know the Treasurer has been sympathetic in the past, and I feel sure we will have a full measure of sympathy when the Estimates are prepared. I have always held the opinion that it is wrong to expect those who run motor cars to pay the cost of providing roads. There is no more justification in asking a man with a motor car to pay for the construction of roads than there is in asking a man with a horse-drawn vehicle or one who pushes a wheelbarrow or a perambulator. Roads are required by the whole community, and it is a well known fact that the construction of them automatically increases the value of nearby land. That has been demonstrated time and again. We had it exemplified even in the speeches of members on the Government side concerning the construction of Anzac Highway although they were not aware of it. They showed that the expenditure of money would lead to the value of nearby land being increased by £4 to £6 a foot. If the value of land goes up because of expenditure of public money, and it is a well known fact that it does, because the real estate agents have advertised it time and again when trying to sell land, why should we as a community penalise the motorists and ask them to pay for the construction of roads when the landlords will get the benefit of the expenditure? If we took the increase in value into the Treasury, and used it for the construction of roads, there would be no need to impose such heavy burdens upon the motorists. I hope the Independents will bear this in mind. If they are not to be the slavish followers of the old political Parties and impose penalties on the motorists, they will adopt the true Independent policy which I am now trying to expound.

We have heard a flourish of trumpets regarding the result of the expenditure of public money on housing. I am not here to say that

those houses should not have been erected. I had the opportunity, with other members, of inspecting them and to the eye they are not bad looking. A person would not need to be too bulky, or move around too quickly in them, or else division walls might be knocked down. There is not much room in them, and there is not too much fresh air above a person when he is standing up, yet they are good value for the money spent upon them. What is the use of trying to deal with the housing question whilst we continue with our present economic policy? There should be no shortage of houses. If a person requires a house he looks around for a piece of land on which to build it. There is no shortage of land in the metropolitan area. When a person seeks a piece of land to make the little nest for the bird he desires to put in it, he find a notice reading "This land for sale." Some person who did not produce the land has been able to secure possession of it, and is able to levy a tribute from the one who desires to use it. That is where the first injustice takes place. The prospective purchaser is compelled to pay as much as £200 for the building site. Having been able to obtain the land he proceeds to buy material for the construction of the home, but finds heavy taxation levied upon oregon, galvanized iron, glass and all the things needed for its construction. The result is a 40 per cent. increase in the cost of the home, because of the vicious taxation system that we have. In a policy of this kind it is only natural that there must be a scarcity of homes and that rents must be exceedingly dear. If we allow that policy to continue, how can we expect to adequately deal with our housing problem? The whole thing is impossible. Although it may be a sort of patch upon a wooden leg it does not reach the root cause of the trouble. Only when the Government uses its powers in the Federal Parliament to have the tariff burden removed from building material, and calls upon the landholders to pay the full annual value of the sites into the Treasury, so that people can get land by annual payments instead of a purchase price, will houses spring up in abundance and the housing problem automatically solve itself. I am sure the Attorney-General is impressed with my argument. As I know he is amenable to reason sometimes, I hope that instead of tinkering with the problem and building a few houses, which will be useless when the family grows up because there will not be sufficient room to accommodate it, he will see that the

Government gives all sections of the community the full earnings of their labour and allows them to build houses to suit themselves. This should be done instead of houses being built on a wholesale scale as at present. I was very interested to note in the Governor's Speech that it was intended to submit a Bill for the purpose of facilitating the administration and extending the period of the Dried Fruits Act. I have a vivid recollection of the Premier and certain other members of the Liberal Party, when the marketing referendum was being discussed, pointing out the evils of control. From what I can imagine with regard to this and the few hints dropped up to the present it seems to me that this Bill will be one of the means which the Government will try to adopt to get around the marketing referendum decision.

The Hon. R. L. Butler—That is only a minor amendment to the Act.

Mr. CRAIGIE—These amendments are very dangerous things. I shall watch the Bill very closely and oppose it as I opposed the original measure. It is quite a good thing for certain industries to be able to live by special privileges, but special privileges for some industries mean disadvantages to other sections of the community, and when every industry obtains those privileges they cease to be special privileges and everyone gets down to the lowest depth with the quickest possible despatch. It is only because certain sections have not had their eyes opened to the fact that privileges have been given at their expense that they support them. We hear many glowing things said from time to time about the benefits of certain industries to the State. Because this industry has been called upon to suffer disabilities under Federal legislation it is not right that it should have special privileges which it has enjoyed for a considerable time. I have said that not only here but in the River districts.

Mr. Macgillivray—But they have never believed you up to date.

Mr. CRAIGIE—I never expect those who get such wonderful advantages from the legislation to agree with me, but when the referendum regarding marketing control was before us, in certain parts of the River districts which contained many fruitgrowers there was a majority against the proposals, and in other parts the vote was 50-50, showing that even amongst the fruitgrowers there was a realisation of the absurdity that they could not lift themselves up by tugging at their bootlaces.

I was interested in the concluding paragraph of the Governor's Speech, in which he trusted that our deliberations would be guided by Divine providence to the advancement of the welfare of the State, because of the reference made to this by Mr. Whittle. Mr. Whittle was pleased to see this remark in the Speech. He sincerely endorsed the sentiments expressed, and thought we should have Bible reading in State schools. This question was submitted to the people on one occasion by way of a referendum, and they turned it down. Bible reading should not be introduced into State schools. Any religious teaching which a child requires should be given to it either in the Sunday school or the home. I do not think the curriculum of the State schools should be upset because of the warring religious factions we have at present. We must not overlook the fact that a certain section is not only asking for selected portions of the Bible to be read, but also that representatives of the various denominations shall have the right to go into schools and preach their religious doctrines. I am strongly opposed to that, and shall resist any attempt in that direction.

The Premier took exception to something said in regard to the Federal Government's embargo on the export of iron ore. He said that Dr. Ward recommended that he should send a letter to the Prime Minister in which, amongst other things, he should point out:—

The South Australian reserves of iron ore are known now to be limited to such a degree that the export of ore and the products therefrom is regarded by the Department of Mines as undesirable in the ultimate interests of the State.

It is not so long ago that we had an agreement with the Broken Hill Proprietary Company before us wherein we proposed to give that company a monopoly of these iron ore reserves for a period of 70 years. With other members at that time I expressed my disapproval of the agreement and voted against it. I showed that with the great amount of iron and steel being produced there was a possibility that the iron ore deposits of Eyre Peninsula would be of greater value to the State in the near future than they are to-day. I objected to the Government being satisfied with the miserable royalty of 3d. per ton up to 1939 and 6d. per ton after that for the remainder of the agreement. I thought we should continue on the old basis of the mining agreement for 21-year periods, and then we

would have the right of review. If we had done that and found at the end of 21 years that the values of iron ore had appreciated to a considerable extent we could have reviewed the position and conserved the rights of electors by demanding a higher royalty than 6d. In the event of values going down it would have been possible to make a readjustment in the interests of the company by reducing the royalty. However, nothing was done along those lines. There was apparently a desire to have the agreement finalised at the earliest opportunity, and now that it has been finalised we are told that we do not know exactly how much iron ore there is and that there is a possibility of a shortage in the not distant future.

The Hon. R. S. Richards—The Mines Department had no idea of the quantities of ore available.

Mr. CRAIGIE—I have been trying to ascertain what the reserves are but I have not been able to get any reliable figures. All I have been able to find out is that the Iron Monarch has been divided into what they call benches. On one bench on which they are working there are 27,000,000 tons of ore. The next bench is supposed to produce 40,000,000 tons and the next bench 50,000,000 tons. All this ore is above ground. It is generally believed by those who are supposed to know something about it that the deposits underground are greater than those above ground.

The Hon. R. L. Butler—That is where the honourable member is wrong.

Mr. CRAIGIE—We do not know what is right unless we have some reliable information placed before us. The Leader of the Opposition has been trying to get that for some time but without success. Then we have to realise that we are dealing with only one of the deposits on Eyre Peninsula. When this matter first appeared in the press I was interested to read a statement by Mr. Perry, Vice-Chairman of the Chamber of Manufactures, on May 20 in which he said:—

It was to be regretted that the facts now disclosed were not known when the Bill granting the Whyalla leases to the Broken Hill Proprietary Co., for 75 years was passed last year. The Broken Hill Proprietary Co. had granted the State an increased royalty of 6d. a ton instead of 3d., but a still higher royalty might have been obtainable in view of the apparent possibility of a future shortage. It now appeared that South Australia had parted with its main mineral asset rather hurriedly.

When I raised a protest against this hurried getting rid of our mineral asset Mr. Perry, who

was then a member of this House, was strongest in support of the agreement and in a way castigated me for the attitude I adopted. Now that the horse has escaped from the stable he thinks we have been somewhat hurried in giving this concession to the company because the royalty is not as much as we had a right to expect. I realise that it is too late to cry about this agreement now, but we have very valuable deposits of iron ore and I do not approve of the way in which the matter has been handled.

Now I come to the question of the State elections. It seems to me that every member must have a few words to say about the elections to show that he has manifested a little interest in the question. The Leader of the Opposition has provided us with the opportunity in his amendment when he points out that the Government Party has lost its majority and that the Governor's advisors do not now possess the confidence of the people. There seems to be a difference of opinion amongst the various speakers, but an examination of the election figures leads to only one conclusion. I do not know whether I have the latest figures, but as far as I can ascertain Independents secured, in round figures, 87,000 votes, the Liberals 71,000 and the Labor Party 58,000 votes. Roughly, therefore, 145,000 electors voted against the Government and 71,000 supported it. As 145,000 is more than 71,000 one is justified in assuming that, as expressed through the ballot box, the Government lost the confidence of the electors. Another interesting fact is that with 87,000 votes the Independents secured 15 seats, which means one representative for each 5,800 voters. The Liberals with 71,000 votes also secured 15 seats, or one for approximately every 4,700 votes. The Labor Party with 58,000 votes have nine seats, but two of its members were returned unopposed. On those figures it required 8,300 votes as a quota for one Labor representative. Why should one section of the community require 8,000 votes to secure representation whereas another requires less than 5,000? Is not that a condemnation of the existing voting system? I have always believed that men of independent thought should receive due consideration in the halls of State and that if given the opportunity to occupy the Treasury benches they should do so. I was not privileged to see the great full page advertisement which appeared on the day of the elections until after

they were over, because I was far from the madding crowd, but I was interested to read the following:—

Electors and People of South Australia.—To-day comes your opportunity. For five long years you have suffered a Government that has flouted your desires in every way. Remember that their lawful term expired two years ago. They refused to quit, and gave you their reason that they knew better than the electors how long they should stop in office. They insisted in inflicting upon you a further two years of their unpalatable administration. Electors, you gave them the power that they so wantonly abused. To-day comes your opportunity to for ever dispense with your unfaithful servants. Do not be hoodwinked by Liberal propaganda. On this page are the proofs that their campaign of misrepresentation is an impudent smoke screen, insulting to the intelligence of the voter. To-day South Australia expects that every man and woman to do their duty at the polling booth. The Independents are ready and will form a Government which will administer the States' affairs without regard to sections and parties. The Independents are not politicians. They are drawn from the ranks of your long-suffering fellow citizens, and seek election as a protest against the operation of party machines and the maladministration of public finance. The Independents will represent the people of South Australia, and will be responsible only to the people, and have neither party nor financial interests to serve. Three-year Parliaments will be restored, and ample steps taken to prevent further violation of the Constitution by self-seeking and irresponsible politicians. Let to-day be Independents' day. Remember your homes, your children, and your savings. Build for the future by voting Independent. Your welfare will be safeguarded by voting solidly for the Independent candidates—men of probity, honour, and common-sense.

Who could resist an appeal of that nature?

Mr. Fisk—Who signed that?

Mr. CRAIGIE—I think it was signed by the secretary of the Independent campaign committee.

The Hon. M. McIntosh—Were you on it?

Mr. CRAIGIE—No. As a matter of fact they put up a gentleman to oppose me. Presumably they did not regard me as a suitable person to subscribe to that wonderful fulmination. However, I bear them no malice, and am prepared to provide them with the opportunity to occupy the Treasury benches, and will do so by voting for the amendment moved by the Leader of the Opposition because I have always declared that Independents should have the chance to which they are entitled.

Mr. Macgillivray—Do you think they have the power?

Mr. CRAIGIE—I think they have as much power as any other Party. The Party occupying the Treasury benches to-day has not the power, and as I stand for principles, I am prepared to go to the last extreme to give effect to them, even if it means appealing again to the electors who sent me here. The appeal that I have quoted was very effective, and as a consequence 15 Independent members have been returned to this House. They may not all subscribe to that particular advertisement, but nevertheless the electors have clearly demonstrated that they want a change in the political life of the State. I am interested to find that there are some lines of thought among the Independents which coincide with my own. I was particularly pleased to hear Mr. Illingworth say this afternoon that he thought the cost of government should be reduced and the taxation burden lowered. I can remember those things being said years and years ago, always particularly by the fellow out of office. The man who gets into office, however, seems to forget all about the things he said when he did not have to shoulder the responsibility of government. It is desirable that the cost of Government shall be reduced and the taxation burden lowered, but I point out for the benefit of Independent members who are new to Parliament that it is useless to criticise the Party people and say that their policy is no good if they have no alternative policy to submit. Whether my policy is accepted or not I can claim to have an alternative to the policy of the present administration and, as the Premier knows, I preach it at every conceivable opportunity. If the Independents who have come into this House have not a practical alternative policy to put forward, even although they may not be successful in getting it put into effect, there is no justification for their existence here. We might just as well have Party men imposing burdensome taxation as men who call themselves Independents, but practice the same policy when they get the opportunity. That is something that we ought to keep before us when considering these questions. Mr. Illingworth was likewise interested in the increased water rates and said that a different system should be adopted. There seems to be general unanimity on that, but what is the good of saying that there should be a different system if the honourable member is not prepared to indicate to the House and the electors what it is. We do not want mere airy persiflage

without any concrete example. I do not agree with the existing water rating system.

Mr. Bardolph—Do you agree with the system as operating on the West Coast?

Mr. CRAIGIE—The honourable member should know that I do not. It might interest him to learn that the Stockowners' Association in the Cowell district sent a recommendation to the Government urging that the correct system of water rating should be introduced, namely, a system based on unimproved land values. When an influential body such as the Stockowners' Association gives effect to a sound proposal of that nature, the Government should take some notice of it. It was interesting to hear Mr. Illingworth say that capital should be allowed to earn a percentage to pay the income tax. Capital does perform a useful service in production. Strictly speaking there is no antagonism between capital and labour, because they are handmaidens working conjointly in the production of wealth. The common enemy of both is the land monopoly which holds labour and capital in subjection. When the workers realise that they will see that the taxation of capital does not assist the industrious section of the community, but is a penalty, which is reflected on all sections to their disadvantage. I do not favour any income tax on capital or upon labour, because I regard that system of raising revenue as immoral. We heard during the election campaign and since about the wonderful reduction in taxation under the auspices of the Liberal and Country League Government. In 1933, when the present Government took office, the total taxation in South Australia amounted to £2,733,445, an average of £4 14s. 1d. per head. For the year 1937, the last for which we have complete figures, the total taxation was £3,540,738, or £6 0s. 4d. per head. I have yet to learn that £6 0s. 4d. is a reduction on £4 14s. 1d.

The Hon. R. L. Butler—If the people earned 50 per cent. more salary, it is.

Mr. CRAIGIE—We have been informed that it is a reduction and I suppose that if the people repeat it long enough they will begin to believe it themselves, yet one not quite so unsophisticated might be pardoned if he did not believe it.

The Hon. R. L. Butler—The honourable member knows that the rate was reduced by 5d. in the pound.

Mr. CRAIGIE—I know that there has been a reduction in the rate. The Treasurer knew

that there was no need to maintain the previous high rate because there had been increased production of wealth and that by a lowering of the rate of taxation the people could be exploited to a greater extent than had the old rate applied. The question of earning more appeals to the Treasurer because under the present system the more one earns the more the Government can take away. That is not in accord with the principles of sound finance. Much has been heard about the balanced Budget. I do not know that Ned Kelly had any difficulty in balancing his budget. Any person having considerable power and able to demand money from those engaged in production, who cannot refuse to hand over, should not have any difficulty in balancing his budget.

The Hon. R. L. Butler—I know Governments that have not done so.

Mr. CRAIGIE—It is quite possible to be done provided one has the nerve to make the effort. For that reason I see no particular virtue in balanced budgets. From 1933 to 1937 the national debt increased by some £3,000,000—an advance from £178 10s. per head to £181 2s. 7d. A national debt is not a very desirable thing at any time, but still some people feel that it is nice to have it. The flotation of loans is something which should not be undertaken by Governments. We have a fund sufficient to meet the cost of government without floating loans. This was pointed out to the South Australian Government in the early days of the State's existence. From 1840 to 1842 South Australia was in a bad way financially and wanted to raise a loan of £12,000. Tenders were called and the credit of the State was so high that the Government could not get a single tenderer. An appeal was made to the Imperial Government, which referred the State to the banks, which turned a deaf ear to the inquiries. A commission was appointed by the Imperial Government to help the new State out of its difficulties, the late Mr. Gladstone being one of its members. As a result of its representations, there was at first a loan of £155,000, which was followed by another of £70,000. Subsequently these loans were regarded in the nature of a gift and have never been repaid. When the money was made

available the commissioners were good enough to offer advice to the South Australian Government. I am indebted to a former State Treasurer, the late Sir Richard Butler, for directing my attention to something of particular interest to me. When delivering one of his Budget speeches he quoted as follows from the Commissioner's letter:—

Another measure which we should be very desirous to see adopted in the colony is the imposition of a land tax, the produce of which would assist in rendering the income completely equal to the expenditure, and dispense with the costly and improvident plan of continued resort to loans in this country. It is a species of tax we may observe which has always the further advantage of tending to prevent the accumulation in private hands of large and unprofitable tracts of waste lands.

Had we followed that advice, as we had a right to do, the country would not be saddled with more than £100,000,000 of national debt and a huge annual interest bill of more than £4,000,000, and conditions generally would have been better. If the Independents are to be independent in the true sense of the term, and not to follow the old bad policies of political parties, and impose taxation on labour in many devious ways, as is done now, I draw their attention to the fact that there is a fund sufficient to meet the cost of government which, if taken for public purposes, would make it absolutely unnecessary to have any taxation imposed on labour. We have spent £100,000,000 in public utilities, and what we need is what will appeal to Mr. Macgillivray—the payment of a national dividend. When I say national dividend I mean a national dividend as against an individual dividend, because the general tendency of the money reformers is to have an individual dividend in the form of getting something for nothing. A national dividend means that the collective efforts of the whole community has been responsible for creating more than £100,000,000 of unimproved land values in South Australia, and when that value is taken for public purposes the dividend gives to the people those public services which are so needed in our present day civilisation. I hope that when the Budget proposals come before the House I will have an opportunity to elaborate on this particular proposal.

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