

1909.

LAND TAX ASSESSMENT BILL.

MEMORANDUM.

A population sufficiently large to effectively develop its various resources and defend it from invasion is essential to the progress and even the very existence of every country. While this is true of all countries, it is particularly true of Australia. No land has greater natural resources; none, by reason of geographical situation or by the enormous extent of its coastline, is so vulnerable to attack.

We cannot hope to escape the common lot of all nations. Sooner or later we shall be compelled to make good our right to hold this great country. That we should do so the more effectively, a large population is imperative. But this must be of the right type and far ampler opportunities for its absorption must be afforded. Our great centres of population are already swollen out of all proportion, more than 36 per cent. of our people live in the six capital cities of the Commonwealth; more than one-half in towns of over 5,000 inhabitants. And this tendency is becoming more marked each year. The people flock to the cities; they desert the countryside.

In a country like Australia, where there are vast areas of fertile land with an adequate rainfall and a good climate—and where so large a portion of the national wealth is derived from primary production—the percentage of the population engaged in rural occupations ought to be exceptionally high. But this is far from being the case. The percentage dwindled from 17·1 in 1871 to 12·8 in 1891, and though it increased slightly during the next decade it does not, so far as can be ascertained, exceed 14·1, the point at which it stood in 1901.

The full significance of these figures can be better appreciated when we compare them with those of other countries. In France the percentage of those engaged in rural industries is 21·2; in Germany, in spite of the phenomenal extension of manufactures, it is 23·06. The joint area of these countries does not exceed that of Queensland. The density of their population is enormously greater, their manufacturing industries infinitely more varied and more extensive than ours. Yet the proportion of their population settled upon the land is more than 50 per cent. greater than ours.

In new countries the cultivation of the land is the natural and proper occupation of the people. The substantial prosperity of France, the marvellous progress of Germany, alike, rest upon the firm and enduring basis of land settlement. And if Australia is ever to be a great nation, it must be upon this foundation.

Our need is for men—of our own or kindred races—to settle upon our lands, to further develop our great resources, to create new wealth. But such men, although there is happily no scarcity of them, will not go half round the world without some positive assurances that facilities for settlement upon suitable lands are provided. And at present these cannot be given. Despite some recent attempts in various States of the Commonwealth to promote closer settlement, it is still true that land monopoly is the curse of Australia. Relatively to the enormous area of its fertile lands and the size of its population, land monopoly exists here to a greater extent than in any country in the world. In spite of the resumption of large estates by the State Governments, for purposes of closer settlement, these estates are growing both in number and size. In New South Wales, for example, estates of 5,000 acres and over have during the period from 1901-1908 increased very considerably. In spite of closer settlement schemes the area under cultivation in the Commonwealth was actually less in 1907-8 than in 1904-5. The evil is too firmly rooted to be cured by the resumption of individual estates by the State Governments. At the best, the effect of such attempts is almost unnoticeable. And there is good reason to believe that, in general, these resumptions increase the value of surrounding estates, thus intensifying the evil sought to be remedied.

It is not by such means that land monopoly can be successfully attacked. We must strike at the root of the evil. Legislation is called for that will neither be local in its operations nor temporary in its effects. It is necessary to provide facilities, not merely for a few hundreds of families, and for a season only, but for a great and ever-increasing stream of suitable immigrants. As things stand now, to invite such men is a hollow mockery: to indulge in talk about immigration the merest farce. It is well known that we cannot provide land of a suitable kind for our own fellow-citizens.

The object of this Bill is to provide an effective remedy by means of a progressive land tax on unimproved values, with an exemption (except in the case of absentees) of £5,000. It is confidently expected that this will operate as a substantial check on the unproductive and speculative holding of large areas, and will vastly increase the land available for settlement by our own people and by the immigrants whom we wish to encourage, and whom we must have if we are to develop our resources and maintain our position.