

## Socialism in Australia, Success or Failure?

(Reported by Frank L. Bang)

REGARDING the application of Henry George principles in the Australian tax system, Howard L. Freeman of Hudson, New York, speaking to members of S.A.G.E. in New York on April 11th, found what he termed an underlying discouragement, though success seemed apparent on the surface.

The single tax has been applied to realty, but other local, county and state taxes have now followed, also a federal income tax. Georgists in Australia seem to be divided into opposing rightist and leftist groups. The platform for the Labor party does, in fact, combine Georgism with socialism and government ownership.

Even the funds for the George schools are a temptation to many who would like to have a finger in the spending, but under the admin-

istration of a Georgist of principle, their efforts have proved futile.

Realty taxes have been established at 5 per cent on land values, as a consequence of considering the yield on capital in all forms of investment, and determining that 5 per cent is apparently the average yield on investments variously. The tax rate has been accordingly established at that rate, in ratio to the capitalized value. Mr. Freeman is in disagreement with this result, since he finds through personal inquiry into varied sources that yields are more generally: on realty 10 per cent, stocks 6 per cent, mortgages and bonds 5 per cent and banks 2 per cent.

The speaker ascertained that a 10 per cent realty tax would meet the budget, while 5 per cent does not.

In Australia there is still vast land speculation because the 5 per cent tax is insufficient to interfere with speculation, and the result has been to drag in socialism with its resultant forms of taxes. More than 51 per cent of the total yield of the national production in Australia is taken by the federal government, and local governments take their bites, too.

In conclusion, Mr. Freeman stated that the George principle implies not nationalization of land (the Marxist theory) but merely that the landowner shall be proportionately assessed to a sufficient degree to provide the protection and services that he, as a landowner, requires.