

the sole cause of all the evils. As I see it, the burdensome taxes that are now imposed are also causing much of the difficulty.

The land prices alone cannot be responsible for the idleness of the land. The price of agricultural land inside the margin of production averages 3000 francs per hectare (\$30 per acre). Such prices are not so much a hindrance as are the unjust tax burdens imposed on the use of land. The taxes increase relatively in *inverse proportion*, to the income—that is, increasing as the income decreases, thus falling much more heavily on the poor than on the rich. There is a tax of 5% on the under-assessed value of agricultural land, but the salutary effects of this are greatly offset by the huge burden of indirect taxes.

Every French estate today is a living illustration of the discouraging effects of the present taxation methods on production, as emphasized by Henry George: "The manner in which equal amounts of taxation may be imposed may very differently affect the production of wealth . . . Taxation which falls upon labor as it is exerted, wealth as it is used as capital, land as it is cultivated, will manifestly tend to discourage production . . . The present method of taxation operates upon exchange like artificial deserts and mountains. It operates upon energy, and industry, and skill, and thrift, like a fine upon those qualities." Causes other than land speculation led Henry George to formulate his remedy for poverty in the following words: "Abolish all taxation save that upon land values."

There are official decrees in France today that graze the truth. For instance, in October 1940, the government abolished the custom duties on horses, cattle, poultry, meat, dairy products, grain, and many vegetables. In November, the following was decreed: "Inheritances up to half a million francs are totally exempted from taxation, when there are more than two minor children to inherit."

I ask: When the Minister of Finances has acknowledged that custom duties are a handicap to the welfare of the people, why not suppress all the other duties, which have the same effect? If the propriety of abolishing taxes on small inheritances is seen, why not also look to the other taxes, especially the indirect taxes?

In 1940, forty-two million consumers paid 43,800 million francs in indirect taxes, as compared with the 1937 figures of 37,100 millions. The four and a half million taxpayers paid 14,000 millions in direct taxes in 1940, as compared with the 1937 figure of 37,100 millions. Is the increase of 244% in the direct taxes, as compared with the increase of only 18% in the indirect taxes, an indication that the bad effect of indirect taxation has at last been recognized?

One thing is certain: A change for the better cannot be expected unless the government imposes a tax on land value, restoring the real land value, and gradually abolishing all other taxes.

Is It Twilight or Dawn?

By J. L. BJORNER

(From *Grundskyld*, October 1940. Translated by Grace Isabel Colbron.)

FOR those who enjoy their pessimism and embrace their worries, the time we are now living in is a rather good time, and no one should prevent them from being as worried as possible—provided they keep their pessimism for themselves and do not force it on their fellow-mortals. But for folks with a more wholesome point of view, it is good to look our times right in the eyes, to weigh advantage and disadvantage, and try to find some little profit in the accounting.

One thing can be looked on as gain, and that is that we are living in a very interesting epoch—an epoch that can teach us much.

Most people can now see what many Georgeists prophesied—that the Versailles Treaty was a bad mistake. The new boundaries drawn up in Versailles may in some cases have been better than the old ones in that they paid more heed to language and ethnographical boundaries, and the League of Nations was a step in the right direction. But the demand of the Entente Powers (especially France), that the more than two thousand miles of new borders should be *tariff* borders, tore the Versailles Peace in tatters. Tariff is war—and war always results from it. This was one of the causes why Germany, for instance, and also England, were cheated in the disarmament issue; but it was the tariff which the munitions industry knew how to play as their trump card. That is how we can best summarize the position of today. And what now?

The war in Western Europe may be looked upon as over, for the moment. But can it not extend itself still further towards the West? Most certainly. There is space enough for a Thirty-Years' War for the sovereignty of the Atlantic Ocean, and still further—but that is probably too big a mouthful for the war industries. And the people themselves may become weary of the war. The strongest probability is that the war will cease in a relatively near future. And then we'll have "peace"! Nothing more?

"Peace is not the best thing one could wish for." We should not struggle merely to keep peace. There's peace in the churchyard, the peace of the grave. Life cannot be supported on peace alone. The opposite of war is not merely peace, but co-operation, just as helping one another is the opposite to killing one other. Not just peace, but free trade, is the true opposite of war. Down with the barriers, then—which means, down with the tariff!

What are the chances?

After France's collapse the government of Marshal Petain sent out the word: "France's recovery will come

through a new economic system in commerce and agriculture, and industry shall learn to keep itself up by the quality of its production." In other words; away with Protection . . . institute free economy!

And Germany? Alfred Rosenberg, on July 10th, called together the foreign press to give them a glimpse of Germany's future economic policy. Rosenberg pictured a Europe of independent States but without customs frontiers! And as there was some doubt later as to what he really had said, two important dailies, the *Berliner Boersenzeitung* on July 13th, and the *Volkischer Beobachter* on July 16th, carried long commentaries on Rosenberg's speech and ended with the following words, dealing especially with the North; "Germany does not intend to pull down the Northern States, whose rich cultural wealth and historical tradition are perhaps nowhere in the world better known than in Germany. Living and working together, that is Germany's aim, not destruction of historical values."

But—how much understanding has modern Germany about free trade? That is another question. Opinions differ in Germany, differ widely. Recently, Germany's plans for a future political ordering of German agriculture were announced. The Government seems to see clearly regarding the danger of the constant capitalization of ground rents and its attendant increase of price and consequent indebtedness of land property. But instead of meeting this problem with an effective land valuation tax, they are merely instituting any number of new regulations, old regulations and the like—regulations that are the opposite of free trade.

But that is Germany's concern. But they must let the rest of us practise free trade.

It is high time that we gather our forces for a forward push. We had all the necessary conditions for making Denmark Europe's free port—to our own advantage and as an instructive example to other countries. But we did not do it. Much might have looked better for us, but the majority willed it otherwise. Now, we've got our "cold shower." Let us hope that it will teach us to open our eyes and come together for a new strong policy.

What Lloyd George said in the House of Commons last May was quite true—that England and France had only themselves to thank for Hitler's hard hand over them. And we can say that we have only ourselves to thank for much in our public policies.

Much has happened this year which may portend a new healthy popular uprising. We have seen the five democratic parties (in Denmark) unite in a concerted opposition to reaction. We have seen employers and workers unite to avoid future wages disputes. That is an important step! And many things point to a new awakening of national life. There were the 740,000 people who met on September 1st to sing the Grundtvig song. That could not

have happened a year ago! And the feeling of fellowship that lay over the dedication of the Grundtvig Church on September 8th—Grundtvig's Church—the great work of a faithful disciple of Henry George, Architect Jensen Klint . . . a landmark to the talent of our day. And on the latest occasion, September 26th, our King's 70th birthday, the wave of homage and fidelity that rolled out toward the King had an objective higher than the King's person. It was the cry of a people to Heaven, the cry of a strongly felt national unity. "We are Danes—and we will always be Danes."

Will the Denmark of Valdemar's day—the Denmark of free trade and of the great land reformers—blossom again in a new national Spring towards the aim of The Earth for the People?

Does our day mean Twilight or Dawn?

It is Dawn!

Announcement

We are informed by Mr. Arthur Madsen, editor of *Land & Liberty*, of the British Postmaster-General's announcement that letter and parcel mails containing correspondence and parcels posted in the United States of America approximately between October 17th and 22nd, November 4th and 14th, and November 18th and December 6th, have been lost through enemy action. The mails included some correspondence from Central America posted on correspondingly earlier periods.

If any friends have written to the United Committee or the International Union, or *Land & Liberty* at 34 Knight-rider Street, London, E. C. 4, and have not had expected replies, they should communicate again.

Land & Liberty is published regularly, month by month, and any of its readers missing any copy should write at once to *Land & Liberty*.

Legislative Framework

Readers will note in this issue a special supplement (Section 2), "A Legislative Framework for the Philosophy of Henry George." This work is the result of long and careful research, and we would earnestly suggest its study by our readers. It would be highly desirable to convey the plan to others, particularly to legislators and governmental officers. If any further information is desired, communicate with the American Association for Scientific Taxation, care of LAND AND FREEDOM.

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