

The Georgist in Denmark

THERE is little to boast about in Georgist Denmark, but thanks to the men and women who have a general knowledge of land value taxation, that country has, step by step, been brought nearer to the goal, leaving a firm foundation on which a new generation can continue to build in the spirit of Henry George. This is the view of J. H. Kristensen, son of K. J. Kristensen, Denmark's Chief Land Valuer.

The time is propitious for freer trade in Europe and many other parts of the world, but in Denmark all efforts must be put into keeping the sensible land laws they have. A hope for the future and evidence that much has been achieved so far is to be found in a study by Professor I. Wasserman on the full land value tax program in Denmark, where he estimated that approximately 400,000 voters favored land value taxation. The first result of his research was published in *The American Journal of Economics and Sociology* last July.

At the election in May 1957 the Justice party gained 3 seats in the Parliament assuring them 9 out of 179 — enough to give the vested capital interested in the preservation of monopolies something to think about. Ensuing negotiations led to formation of a majority government consisting of the Social Democrats, the Radicals and the Justice party, all three to some extent supporting land value taxation.

Under this influence many restrictions were removed, import licenses were made more freely available, and the special state office controlling these restrictions was abolished, but in the 1960 election the Justice party lost out completely.

A government of Social Democrats and Radicals was then formed which evidenced strong inflationary tenden-

cies. During the summer of 1962 a majority in Parliament passed a bill introducing a general 9 per cent sales tax and raising the home market prices of farm products. The Henry George Society declared, in a formal statement, that such monopolistic increases of prices on the home market must delay the rational development of production, encourage demands for wage increases, give inflation another boost, and disturb the equilibrium of both home and export markets.

It soon became apparent that the sales tax wasn't large enough to dam up the inflation wave created locally in Denmark, so in February 1963 the government introduced 12 bills representing the most radical restrictions ever experienced except during the war years. They were a severe setback to economic freedom and brought socialism closer still. Denmark is at an economic danger point where it owes much of its present "wealth" to foreign countries. Now the Danes are being told that these restrictions haven't led to a satisfactory result. Some people predicted that in advance!

Realizing that something had to be done about land speculation, especially in view of negotiations with the Common Market, new laws were drafted. Four of these referred to the acquisition, sale, and preservation of land; and the government, confident of a favorable vote, decided to appeal directly to the voters for support of these laws, by use of a referendum clause in the constitution.

The Danish Henry George Society again explained the laws clearly, pointing out that they showed a sincere intention to tackle problems which must necessarily be solved, but lacked the solid foundation on which a rational solution of the land question could be built. Extension of land value

taxation, including up-to-date valuations, payment of full normal interest to the state on all increases in land values, and planned gradual collection of the full economic rent of all land, should abolish every possibility of land speculation.

Furthermore, this simple reform, which would ensure free and equal access to land for economic use and at the same time reduce property prices and the tax burden on productive labor and capital, would also have the effect of removing the conflict between private and public interests when town and country planning was to be used . . . making it easier to acquire land for public purposes as well as to preserve certain areas in their existing state.

Surprisingly, all four laws were rejected by a considerable majority. This was a shock to the government. As a result the government was asked to resign. They refused but proposed instead that the regular valuation of land which takes place every four years (and should have taken place in September 1964) be held after a one-year postponement, in 1965. However, the law fixed the increment taxation at its present level and provides that the annual revaluation in 1963 and 1964 should not have tax consequences. This will mean in the coming year an even smaller amount of the public revenue through land value taxation. Besides, it is not generally noticed that the land value tax and land value increment tax on agricultural property are being repaid to the owners through subsidies.

Denmark's Justice party has a long way to go, but if educational work can be carried on there are great hopes

for the future. The Henry George Society will not succeed unless it continues the propagation of ideas.

This is a time of massive popular counter-revolution against liberal democracy and failure of the West to govern successfully or to defend and maintain its political philosophy, Mr. Kristensen noted. If we go back to the beginning of modern democratic movements in the eighteenth century we can distinguish two diverging lines. One is the way of development, the other the morbid course into totalitarian conditions. History points to a life-and-death struggle between the dominating state and the state of righteousness!

It is our task to show those who forfeit freedom that in spite of failures it is the hope of mankind. But, we must realize that many people have found no answer to their anguish over the principles and practice of freedom as applied in the liberal democracies. There is a profound disorientation between their minds and souls. They have become a "lonely crowd" without a faith to live by.

The freedom which modern men have turned away from, seldom with regret and often with enthusiasm, is a hollow shell. Each new generation faces the challenge of rediscovering and relearning. The bitter effects of tyranny are visible in the countries of the total revolution against liberty. There people will yearn for genuine freedom such as Henry George had in mind when he said:

"We cannot safely leave politics to politicians or political economy to college professors. The people themselves must think, because the people alone can act."

The marriage of Kul Bhushan Sharma to Avinash Kumari Kaushik took place in New Delhi, India at the home of his parents, Mr. and Mrs. V. P. Sharma of New Era College, Nairobi, Kenya on July 24th. Mr. K. B. Sharma will be a speaker at the International Conference.