

INTERNATIONAL NEWS

DENMARK

Land Value Legislation Promised by the New Government

The Danish newspapers of 25th May gave much prominence to the interview arranged between representatives of the Joint Land Values Committee and the two Ministers, Mr Berthel Dahlgaard and Mr C. Bramsnaes. The deputation received very satisfactory assurances as to the Government's intentions.

Proposals of far-reaching nature were outlined. They will be more easily followed if we trace briefly what has been done thus far in Denmark to apply the land value policy. There is now in force a small but uniform and universal national tax on the value of land apart from buildings and improvements. A periodic valuation of the land in both town and country takes place once in every five years. Every town, county and parish levies a rate on land values as one of the sources of their revenues; the other sources are a separate (and lower) rate on buildings and improvements, and the local income tax. At present the towns have no option but to take at least five-sixths of their revenue from local income tax. In the country districts the parishes can decide to reduce or abolish the local income tax and correspondingly increase the rates on real estate, but their action requires the approval of the county councils. Thus the present position demanding reform is that towns are compelled to maintain the grievous local income tax; parishes are not able easily to get rid of it; and towns, counties and parishes are compelled to tax buildings and improvements, although at not more than three-quarters of the rate levied on land value. What is wanted is to concentrate the local taxation on land value, sweeping away both the local income tax and the rates on improvements. The 1926 Act, by introducing the partial rate on land values, made a start on the road along which the new Government means to travel. The 1926 Act also provided for an optional "betterment" levy, to be imposed as an annual addition to the ordinary rates on land value, wherever a relatively considerable increase has taken place in the assessment of the land value between the dates of the periodic valuations. The betterment levy, at the rate of one per cent, begins to operate from 1932 onwards and already 200 local authorities, including Copenhagen, have decided to collect it.

REPLY BY THE HOME MINISTER

Answering the deputation from the Joint Land Values Committee, Mr Dahlgaard said that his object was to take all rates off houses and other buildings and make such rates a charge on land values. In this way they would remove the obstacles that building taxes now place in the way of productive work. He wished to see the betterment levy improved so that values arising from the growth of the community and not from individual effort shall really go into the common treasury. Land speculation, he said, not only pockets the values that the public as a whole create but it also stands in the way of the free development of industry. He who is in earnest about providing employment must first of all get rid of the dead hand of land speculation that rests upon great sections of our most rapidly growing districts. He hoped to introduce Bills with that end in view when Parliament assembled. Provision would be made enabling the towns to replace the local income tax by land value rating. It was possible that the State would share

with local authorities the proceeds of the increased betterment levy. All this, it was emphasised, would lead to a better and more reliable land valuation, essential for carrying out the aims and purpose of the land value policy.

REPLY BY THE FINANCE MINISTER

Mr C. Bramsnaes said, with regard to the national taxes on fixed property, that he desired to see them levied as far as possible on land value—preferably entirely on land value. Such conversion of these taxes waited upon an opportune moment when they could take effect possibly in combination with other economic reforms. Meanwhile he would move for increasing the national tax on land values so as to replace the taxes levied on industry and commodities. The best line to follow in that regard was to aim at reducing the Customs duties that so manifestly burden the general consumer and restrict the production of wealth. He thought the State was entitled to its share of any betterment levy, for increased values were not always due to purely local circumstances; nor should there be any great delay in making the betterment levy really effective. As for the land valuation, he wished to see thoroughly competent assistance given by the Department, and the method of the land value-map extended so that they would achieve uniformity beyond challenge and a publicly controlled assessment of the land values.

The Joint Land Values Committee is composed of representatives from all the political parties, including the Conservatives. The deputation was led by Mr F. Folke, who had with him Messrs K. J. Kristensen, Vandman, Wiene, Porsdal, Oksholt, Vedso and Harslof.

Our co-workers are to be congratulated on the success of this interview.

INDIA

The Bombay Land Revenues

Mr Anderson's book*, which was briefly mentioned in the March issue of *Land & Liberty*, is an invaluable treatise for all interested in the conditions of land tenure and taxation in Bombay.

In its structure the book may be classed with Wedgwood's *Essays and Adventures*, or Temple's *Native Races*, as a skilful combination of Geogest philosophy in playful form with a record of personal controversies and actions. The underlying parable of Adam and his sons, and how Cain, who had the best piece and tried to evade paying for his privilege or alternatively to work and produce less than Abel, is often repeated, with many early historic examples of single tax thought, from Khammurabi of Shinar and Manu, the Indian Moses, to the predecessors of British rule. In paragraph 88 it is pointed out that Khammurabi said (about 1980 B.C.) that land left idle or fallow should not pay less revenue on that account.

The picture of the Bombay land revenue system is clear and helpful. There is in the official intention no desire to tax the agriculturist on his improvements, but the tax on land revenue collected is far below the true value of the privilege, as is shown by the high sale value of land substantially unimproved.

The revenue valuation is arbitrary in practice: in

* *Facts and Fallacies about the Bombay Land Revenue System*. By F. G. H. Anderson, M.A., late I.C.S., M.L.C., Bombay. Published by Scottish Mission Industries Co., Ltd., Poona, 1929. Price 2½ rupees (3s. 9d.).