

THE DOMINIONS AND ABROAD

HOLLAND

A NEW MOVEMENT FOR THE TAXATION OF LAND VALUES

The Secretary of the United Committee has received several long and most interesting and encouraging communications from Mr. J. H. Peper, Secretary of the "Grondpartij," Elis. Wolfstraat 53, Amsterdam. The correspondence arose out of the reports in the Dutch papers on the International Conference held in Oxford last year.

The first letter reached the United Committee by the courtesy of Mr. J. H. Hyder, to whom Mr. Peper had addressed his inquiries. In the course of this letter Mr. Peper wrote:—

"In August of this year different papers in Holland had a paragraph mentioning that a Conference was being held at Oxford, at which 14 countries were represented. The subject was 'Land Value Taxation' and it was reported that a Manifesto was adopted addressed to the rulers of the world, the contents of which were given.

"Now there is a party in our country called Grondpartij (land-party is the best translation, I think) which, though small and not yet represented in any corporation, is working in the same direction, and of which the late Mr. Jan Stoffel was one of the founders.

"You will easily understand that the above-mentioned newspaper items were read by us with the greatest interest. It is therefore that we apply to you for some further intelligence.

"Will you be kind enough to inform us whether the Conference resulted in some or other permanent organisation? If so, it is our firm conviction that also Holland ought to join and have its share in the work that is going on. In any case you would greatly oblige us by giving us the addresses of the representatives of the 14 countries. We greatly feel the necessity of an international organisation. It is power we want and for attaining this end a widespread organization is in our opinion the best thing we can have."

In his second letter, Mr. Peper wrote to the United Committee:—

"I most heartily thank you for the great pains you took to enlighten me upon the subject of the Oxford Conference. Your literature I consider to be the most valuable information, especially where facts are dealt with. The amazing examples of the English Dominions are totally unknown here. I composed an article for the press immediately which was published in DE TELEGRAAF of 11th November with some editorial notes. For instance, they said that measures which proved to have some results in 'young countries' could not always be transplanted to established countries such as ours. I suppose you will have experience about opposition of this kind.

"Meanwhile I have spoken with some friends of mine about the means that are at our disposal for bringing about a strong taxation of land value movement in our country. Most probably I shall have to lecture about the subject before the Association for Morality in Politics, an organisation which came into existence some time before our last general elections took place. . . . These people don't lack idealistic feeling, but their influence is rapidly fading for want of concrete principles. I hope to be able to inspire them with some Georgism, for which, if I judge rightly, their minds must be receptive. As regards the 'Grondpartij,' I think there is not any reason why we should not accept a taxation of land values policy.

MR. JAN STOFFEL AND THE GRONDPARTIJ

"It is rather difficult for me to give you a real insight into the Dutch land reform movement. To begin with,

this movement is totally restricted as yet to our Grondpartij whose influence, I must confess, is small; yet, I may add, it is feared. There was a strong land-nationalization movement, headed by Mr. Jan Stoffel some thirty years ago. But very soon this movement was swallowed by Socialism and so to say subdued by the universal suffrage cry, which as the one and only remedy for social evils was adhered to by most of Mr. Stoffel's followers, though not without violent opposition, especially from Mr. Stoffel himself. . . . To know Mr. Jan Stoffel was to admire him for his sound logic, his love of truth and justice. His little books, especially his INTRODUCTION INTO A NEW POLITICAL ECONOMY, are little jewels. . . . He was a Member of Parliament once, which proved a failure, though a better and nobler man never represented our people. Some years ago a friend of mine and myself succeeded in reawakening his activities and the result was the Grondpartij.

"This is not a Henry George movement in the meaning you attach to the words. It is a curious mixture of Georgism and the so-called Liberal-Socialism of Mr. Frank Oppenheimer, the German professor, some of whose really highly scientific works were translated into Dutch by Mr. Stoffel. . . . Yet in my opinion Henry George's philosophy stands foremost, is fundamental, and I could never allow him to be put after any other land-reformer. For instance, Taxation of Land Values is a fundamental law, without which no Liberal-Socialism can prosper. I don't see any antagonism between the notions, nor does Mr. Oppenheimer himself, I believe, though he never mentions the subject of taxation.

"I think it is a great pity that there is not a permanent international organization. . . . Especially in Europe peace may be established and possibly in—let us hope—a near future some confederation of nations be created if Georgism enters the minds of the peoples, which cannot but prove a cure of the crazy wild notions lots of men and women nowadays foster about creating a new condition for Western Civilisation. An international bureau could do much to promote sound principles. . . ."

The letter concluded with a request for particulars concerning the assessment and incidence of Income Tax in this country.

THE FIRST STEP TO ECONOMIC RECOVERY *

Pamphlet issued by the Grondpartij

Mr. Peper wrote further on 26th March, giving information on the working of local income taxes in Holland, and stating that the Grondpartij had now issued a new pamphlet urging the Taxation of Land Values. The pamphlet is an able exposition of the policy and after an examination of the existing system in Holland describes very faithfully the progress that has been made in regard to Land Value Taxation in Australia, New Zealand, Canada, South Africa, Denmark and other countries. The argument is addressed as an open letter to the Finance Minister of Holland. We warmly recommend this publication to any of our readers conversant with the Dutch language and it should be particularly useful to our co-workers in South Africa. Mr. Peper's letter goes on to say:—

"Income taxes form the principal part of any Budget in our country, whether local or governmental. I think I have to explain something here. We don't distinguish between taxes and rates. Every form of getting the people's money is called 'belasting' with us. There are different forms of direct taxation here and for local purposes we have local income taxes and so-called 'opcenten,' that is, additional percentages on governmental taxes.

"I write you these things because you told me that

* De Eerste Stap op den weg naar economisch herstel! Published by the Grondpartij, ELIS WOLFFSTRAAT, 53, Amsterdam. Price 15 cents (say 3d.)

there are people in your country who advocate the local income tax system. You will see the injustice of such a system. Incomes are tapped twice, first by the local authorities and then by the government. There is no objection, I should say, to a governmental income tax in a transition-period to the sole taxation of land values.

But the question is different when local authorities are given the right to tax incomes. People who can pay are welcome citizens in any town or village, and local authorities always try to keep them. They fear to bring about a just progression, because in such a case the capitalists fly to a town, where the local authorities are more considerate.

"This gave rise to the so-called 'Forensen-belasting.' Forensen are people having their business in one town and residing in another. There are thousands of forensen daily coming to Amsterdam here, who live in the neighbouring villages. Now Amsterdam and other big towns succeeded in convincing our government that such people, earning their living here, ought to pay here; whereas the surrounding villages did not like to let their grasp slip. The result was that the forensen have to pay in the town where they have their businesses as well as in their dwelling-place, the total amount only slightly surpassing the amount which they would have to pay in the town where incomes are taxed highest.

"It is not difficult to see who pay the piper here. Those who are obliged to remain where they are. Get what you can get from the lower and middle incomes is the rule here. Hence no deductions, or if they must be allowed, keep them as low as possible. A personal allowance of about £90 for a married couple is much here and so is a deduction for children of £4-£8. Other relations are not taken into consideration. There is an eternal going and coming of the wealthier people removing from one town to another, in order to escape local income taxation, or, what is worse, always threatening to go.

"Last year I spent my holidays at Doorn, the more or less famous village since Herr Von Hohenzollern took up his abode there. A splendid village, full of rich people and extremely low income taxes. In the immediate neighbourhood lies another village, where the highest magistrate of our province of Utrecht possesses a castle and all the land. This gentleman has not been at his castle for some five years, because the local authorities had had the courage to tax him too much. They have to do without him and his money, so that the farmers there (*his* farmers) and some seed-dealers had to pay the loss. Couldn't he boast of having punished his people?

"You can easily guess our policy now. Fight the local income tax systems, as well as indirect taxes, is our slogan. Try to get local income taxes replaced by local land value taxation. As a matter of fact we have hardly any local land and improvements taxation. Local authorities can only levy an additional percentage on the governmental land tax (improvements much higher than land).

"In the little book which I am sending you you will find an address to our Minister of Finance, in which we demand a total revision of our land tax. We ask local income taxation and indirect taxes to be abolished. Local authorities, we say, ought to get the right to tax land values, a right which they lack at present.

"In the memorial you will find our declaration of principle plus a great many foreign instances of land value taxation which I took great pains to compare with our system of (especially local) taxation. At the same time we point to the inexcusable buying of land for housing at exorbitant prices by the local authorities (especially Amsterdam). Building Corporations cannot even pay the fixed rent for the land they obtain on perpetual lease from our City Corporation, so that in the 1924 Budget 200,000 florins had to be voted, which will be returned to the Building Corporation in order to help them.

"Our booklet, with its striking instances, is read with

much approval by a great many people. I wonder what our Liberals and Socialists will say. Our principal papers are silent. Yet it will be impossible for them to ignore us altogether. They are beginning to fear us, that's all I can say for the present. Our great purpose is penetration, and we shall succeed."

We heartily congratulate Mr. Peper and his associates in the Grondpartij on their good work and look forward to his news of further progress. Meanwhile, it is a matter of great interest that his efforts, like those of Mr. Cauwell, noticed in our paragraph on Belgium, were brought to our knowledge through the Oxford Conference. Two countries, Holland and Belgium, have thus been added to the great international movement for which that Conference spoke.

NEW SOUTH WALES

At the annual picnic of the Free Trade and Land Values League on 19th January (as reported in the *STANDARD of March*) the Hon. H. F. Hardacre, of Queensland, was present and said that the progress of the movement in N.S.W. was largely due to the work of Mr. A. G. Huie. In Queensland the feeling in favour of land value taxation had permeated the working classes and was more in evidence than anywhere else in the world. Queensland was the first to apply the principle in the Municipal sphere. Water and sewerage rate were also levied on land values. When visiting Melbourne recently he had been astonished at the remarkable difference in the building operations in that city as compared with Sydney and Brisbane. Only two small buildings were going up in the centre of Melbourne, whereas both Sydney and Brisbane were being transformed as a result of the fact that rates in Sydney and Brisbane were levied on land values. And it was noteworthy that these buildings were going up where land value taxes were heaviest, so that land value taxation was more than justified by its results.

NEW ZEALAND

Progress of Land Value Rating

In a special article, contributed to *THE WORLD* (Hobart), 4th March, Mr. G. M. Fowlds, of Auckland, N.Z., writes: "It is not generally known that in many countries steps have been taken to bring the system of rating into line with the principles of justice and common sense. Even in New Zealand substantial progress has been made in that direction, so that now about 186 rating authorities, covering, according to the estimate of the Government Statistician, about half the people of the Dominion, are not rated on improvements, but raise their rates solely on site values.

The result, as was expected, has been that more buildings have been erected, and the proportion of improvements is higher by 10 per cent than in those areas still rating houses and buildings.

BELGIUM

A printed circular letter has been issued by M. Albert Cauwell, Brussels, announcing the formation of "*La Ligue pour la Reform foncière*"—the Land Reform League—with secretarial address at 55 Rue de Pavie, Brussels. It is stated that the League will begin at an early date the publication of a monthly journal *LA TERRE*, and the object of the League will be to show the relation of private property in land to existing social conditions. The question will be taken up and discussed on the platform occupied "by these eminent students of Political Economy such as Quesnay, Ricardo, James and John Stuart Mill, Colins, Henry George, Emile de Laveleye and Paul Lafitte."

Mr. Cauwell has already inaugurated this new movement by translating and circulating in Belgium the Declaration of Principle and Policy and the Manifesto of the Oxford Conference. The League has a great opportunity before it. May its work and its journal establish a wide and beneficial influence in Belgian economic life.