

capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope for human powers, lessen crime, elevate morals, and taste, and intelligence, purify government and carry civilization to yet nobler heights."

So far as we have gone in New South Wales our practical experience of land values taxation justifies the claims of the Prophet of San Francisco, whose visit to New South Wales was largely responsible for the measure of success which we have attained.

THE TAXATION OF LAND VALUES IN DENMARK

We are indebted to Mr. P. Larsen, Ølstykke, Denmark, and to Mr. Jørgen Pedersen, Secretary of the Henry George League, Vesterbrogade 21 (4), Copenhagen, for reports on the progress of the movement in Denmark for the Taxation of Land Values. From these reports the following account has been compiled.

LAND VALUATION

In 1911 and 1912 some experiments with valuations separating land and buildings were made in the metropolis, in smaller towns and different places in the rural districts. In 1916 the whole country was valued, land and buildings separately. This was also a sort of experiment, as taxes were not to be levied according to the valuation and there was no right to lodge objections before the Central Board of Assessment. In 1920 the general valuation of real estate is to be repeated and land is to be separated from improvements. That valuation may be used for taxation of land values—according to the Minister of Finance, Mr. Edvard Brandes.

For the valuation of real estate the country is divided into 141 districts, each one having an assessment commissioner appointed by the Minister of Finance. The local element in the work is represented by two members for each township or city ward, appointed by the Town Boards or City Councils. These two members and the assessment commissioner form the Board of Assessment which, under the direction and guidance of the Central Board for the assessment of real estate, are doing the valuation work.

The landowners are in some degree called upon to assist in valuing real estate. At each general valuation every owner of real estate has to file out blanks giving details about area, the quality of the soil (Hartkorn), the number and quality of stock, the price at last sale, etc. Furthermore from the 1st of April, 1919, every sale of real estate that takes place is to be reported, together with the above-mentioned information, to the Central Board by the buyer and the seller. These reports are of great importance to the Central Board in order to enable it to direct the valuation and equalise the valuation of land and buildings in the different parts of the country.

Landowners who do not comply with the law or give false information are liable to fine imposed by the District Board under appeal to the Central Board.

As is understood, the assessment of real estate is a central affair carried on simultaneously over the whole country. The valuations were formerly made every tenth year but are now made every third year. Annual valuations would probably be the most feasible, in order that the assessment may follow market values as closely as possible.

According to law of 1918, the districts boards are, in 1920, to ascertain separately the value of the ground (the land) without buildings and with due regard to quality, site and the best economic use. The detailed rules for the valuations are given by the Minister of Finance. The standard for the valuation in rural districts is to be the value of a middle-sized farm and the land is to be valued according to that whether it belongs to a small holding or to a great estate. For that reason the market value principle cannot be carried through, as the land belonging to smaller farms bring a higher price than that belonging to large farms.

In the cities the land values correspond fairly closely to market prices in the case of small lots wherever sales have taken place. The big areas, however, which are lying idle for speculation, are usually valued too low, as it is difficult for the local valuers to understand that a man should pay taxes on his land whether he gets any income from it or not. In the metropolis the site values are also put at somewhat low figures compared to market prices.

The results of the 1916 valuation may be summarised as follows:—

	Total value, Land and improvements. Million Kroner.	Land Value.		
		Million Kroner.	Per cent. of Total.	Per Head.
Metropolis ..	2,010	744	37.0	1,063
Country Towns ..	1,473	467	31.7	774
Rural Districts ..	4,454	2,473	55.5	2,112
Total ..	7,937	3,684	46.4	1,261

(18 Kroner = £1.)

In the country districts the value of certain improvements such as draining, fencing, irrigation, etc., have not been deducted from the total value, and the assessment of land value is vitiated to that extent.

On the whole, it may be said that the Danish land valuation is not at all perfect. It is hoped it will be improved in 1920, and that revaluation then will also take into account the great increase, especially in the value of rural land in recent years.

MUNICIPAL AGITATION

In the beginning of 1919 the Radical-Liberal and Social-Democratic members of the municipal councils of Copenhagen and Frederiksberg have worked out a proposal to the effect, that the two municipalities adopt a tax (rate) on ground values, and an increment tax.

The most important items of this proposal are:—

That the present different real estate taxes—area tax, ground tax, pavement tax, real estate duty—are to be abolished and, from April 1st, 1921, replaced by one single tax on ground values, supplemented by an increment tax on land values.

That the ground value tax shall be fixed by the municipal councils and must not exceed 2 per cent. of the ground value.

That the ground value is to be fixed by valuation according to law of December 21st, 1918.

That the increment tax, which shall come into force from April 1st, 1924, must not exceed 1½ per cent. and is to be calculated in accordance with the land values increment that has taken place since the valuation of 1920, the amount increasing or decreasing according to future valuations.

The proposal was debated in the municipal council of Copenhagen on May 8th, 1919, and in the municipal council of Frederiksberg on June 30th, and a committee has been appointed to investigate the matter.

There is reason to expect that the Government itself will, in the present session, propose a Bill giving all municipalities in Denmark power to substitute their real estate duties by a ground value duty and to levy an increment tax on land values, all in accordance with the proposal for Copenhagen and Frederiksberg.

PARLIAMENTARY COMMISSION

In 1910 a Parliamentary Commission was appointed for the purpose of making an inquiry into the municipal taxation systems, especially regarding the proportion between personal taxes and taxes on real property, and to consider the expediency of land value taxation for municipal purposes.

To this Commission, which reported in 1913, were appointed several well-known Single Taxers. One of them, Mr. Berthelsen, Høng, made a special report of 75 pages, containing a thorough investigation of the tax problem from a Georgian point of view, followed by an elaborate account of the results of land value taxation in America and Australia, and a description of the different valuation systems employed in these countries.

ATTITUDE OF THE POLITICAL PARTIES

The *Conservative Party* programme contains the following item:—

"We will combat the Georgian taxation system, with its claim of a Single Tax on land, as being unjust and impracticable in an old society such as ours."

At a conference of delegates, January, 1916, the *Moderate Party* adopted a communication to the voters, in which it says:—

"With regard to a reform of the present real estate duty, a separate valuation of the land ought to be introduced so that it be possible to lay equal taxes on equal lands. A land value increment duty for State and local purposes ought to be

aimed at, where public undertakings have produced an increase in ground values."

The *Radical Liberal Party*, which has been in power during the time of war, and still is in power, at a general congress in May, 1916, unanimously adopted a "working programme," the most important items of which are as follows:—

"(a) The present real estate taxation shall be so altered that the taxes become a ground duty in accordance with the principle of 'equal tax on equal land.' The total sum of the ground duty (land value tax) must be considerably larger than the total sum of the present real estate taxes.

"(b) The present personal property and income taxes are to be altered by raising the limit of exemption so that ordinary small incomes may be untaxed.

"(c) By increasing direct taxation it will be possible to effect a comprehensive reduction of indirect taxation. The reduction is to take place systematically in order that:—

Revenue duties and duties on the general necessities of life are abolished as completely as possible.

Such revenue duties as must be temporarily retained shall be altered into *ad valorem* duties.

The transition to the complete abandonment of protective duties is initiated by a heavy reduction of the tariff rates which have protective incidence.

"(d) All existing real estate (municipal) rates are to be abolished and replaced by a ground duty of at least the same amount. Municipalities are to be empowered to determine themselves how much of their remaining rates they wish to replace by ground duties. Municipalities are to be empowered to levy an additional rate on increment values which may possibly be shown by future valuations. A general municipal personal property tax is to be introduced.

"(e) By abolishing the bondage on feoffs and family estates and entails a ground duty to the exchequer is to be imposed. The value of the reversion right is to be secured to the State to a reasonable amount.

"(f) The (present) law on establishment of small farms is to be so extended that men and women are given access to land which are owned or may be acquired by State or municipality; on condition that they pay full rent of such land.

"(g) By taxation and effective control provision is made that consumers are not unjustly robbed by such industries that are real or legal monopolies, and which cannot—at any rate not for the present—be taken over by State or Municipality.

The new *Independent Social Democratic Party* have adopted a land and taxation programme in which the following items are contained:—

The land with its resources shall belong to the people of the country, that they may be secured the full fruit of their labour. We will work for this goal by taking the ground rent. State and municipality shall levy on the full rent of the land value which is created by the community.

The expenses of State and Municipality must primarily be met by such ground rent.

All taxes and rates on real estate are to be replaced by a ground duty.

The full amount of land values increment which is created by the community is to be appropriated by State and Municipality.

No public land must be sold to private speculation. Natural bounties, such as forests, fish ponds, streams, water power and shores shall be at public disposal, and must not be privately owned.

SUPPORT BY SMALL HOLDERS

As early as 1902 a provincial convention of the Small Holders Association adopted a resolution urging "equal taxation of equal land," thus inventing a phrase which has been much used in political speech. Ever since the Small Holding Association, now numbering approximately 50,000 members, has stood by that principle and even strengthened its claims. One of the resolutions recently adopted reads as follows:—

"The Convention of Small Holders pronounce its unconditional support of the principle 'equal taxation of equal land' as laid down by the organized small holders in 1902. The increase in taxes of land values thus effected should be compensated by a reduction in tariffs and other burdens on the income and consumption of the working population."

NEW ZEALAND

PROGRESS OF RATING REFORM

Mr. P. J. O'Regan, of Wellington, barrister, writes (to the *Sydney Standard* of June 16th) as follows:—

Of late there has been a decided revival of interest in connection with the rating of unimproved land-values, and it will doubtless interest and encourage your readers to hear something thereof. Within the past few months victories have been won in Manawatu County, Otaki Town District, and last, but not least in the important Moa Road District, Taihape Borough, borough of New Plymouth. The great majority of the ratepayers in Manawatu County are farmers, and the County chairman is Sir J. G. Wilson, President of the New Zealand Farmers' Union; and an implacable opponent of land-value taxation. Nevertheless, the farmers of the County voted strongly for rating on unimproved values, the figures being, For 679, Against 193, leaving a majority of 486. In New Plymouth we had to encounter strong opposition, both the local newspapers being against us. Our supporters hit upon the device of having the poll taken on the same day as the municipal and Harbour Board election on the 30th ult., the object being twofold—to ensure a heavy poll, and to take advantage of the candidates' motor-cars. A few days before the poll a circular was posted to the ratepayers, showing the amount each would pay under the new system. The result was a fine win, the polling being 780 against 593. We have now captured the majority of the local bodies in this country, and ere long rating on unimproved values will certainly be general. As far as progress in other directions is concerned, though no definite proposals are before the country, apart from our propaganda, it is no exaggeration to say that public opinion is stronger in our favour than ever, and I shall be surprised if something is not done in the next Parliament. The evil of land aggregation proceeds apace, the system of purchasing land for settlement is a dismal failure, and the Government's promise to provide land for soldiers can be made good only by imposing land-value taxation to an extent heretofore undreamed of. Whether there will arise a front-rank public man sincerely with us or not, I am confident that the necessities of the situation will force the hand of the Government of the day.

The *LIBERATOR* of May 15th announces that land value rating has been adopted in Whakatane as the result of a poll taken on April 30th. The *BRITISH AUSTRALASIAN* of August 28th states that after a poll taken on June 19th, the boundaries of Thames Borough were extended and it was decided to rate on land values.

THE POLITICAL SITUATION

The telegraphic announcement published on Saturday that Sir Joseph Ward, the New Zealand Minister of Finance, and the other Liberal Ministers of the Coalition Government, have resigned office breaks up the National Government which was formed in August, 1915. It is expected that a general election will take place this autumn on the old party lines. In the present Parliament the Conservatives—"Reformers" as they call themselves—constitute just one-half of the House of Representatives; the other half comprising thirty-two Liberals and eight Labour Members.

The main interest in New Zealand in the impending elections centres round the possibility of a great increase in the strength of the Labour Party. During the last twelve months the Labour party have won a number of very striking by-election successes on an extreme anti-militarist and Socialist programme. Three Labour candidates have been returned by very large majorities, and in each case the candidate was a Socialist who had recently served imprisonment for sedition and "anti-patriotic" propaganda.

Recently the New Zealand Labour party has been reorganised on the lines of the British Labour Party by the affiliation of the Socialist party and trade unions in a Labour Representation Committee. The annual conference of this new Labour party was held last month, when the executive submitted a report that the past year had been a record in all spheres of activity, and that membership had reached the highest point in the history of the movement.

The question of military service will be one of the issues of the coming elections, as Sir James Allen, the Minister of Defence, advocates the extension of the system of military training by the conscription of eighteen-year-old boys and sending them into military camps for four months of the year. It is expected that the Labour Party will repeat its successes at the recent by-elections over a very wide field at the coming general election. —London Correspondent *Manchester Guardian*, August 25th.)