

LAND & LIBERTY

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Population — The Physiocrats and the Philosophy of Natural
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THE AGONY OF DENMARK

A little people in plain week-day dress. An old nation without ostentation, having forsaken all its former ambition in the way of ruling ocean or subduing neighbouring tribes. . . . A homely people who long ago gave up playing in the Orchestra of the Powers. . . . A troop of commoners who for their device have chosen this unpretentious motto: 'What has been lost by the sword must be regained by the plough.' . . . Ours is not the dazzling light nor the ear-quaking thunder of liberty, the thunderbolts hurled by revolutionary giants to smother crowned despots and startle the dumb and sleeping masses. We are simply a people 'trying to work out our own salvation.'—*From a Danish friend's message of invitation to the International Conference for Land Value Taxation and Free Trade, Copenhagen, 1926.*

ONE OF the terrible tragedies of this war is the fate that has overcome Denmark and Norway. Two of the most progressive, pacific and democratic countries in the world are held for sacrifice; Denmark within twenty-four hours seized by a military despotism and closed to the outer world so that the silence of black night prevails justifying the worst fears; Norway invaded and the cockpit of international bloodshed as Belgium was a generation ago. It is a horror which baffles conception or description. In Norway there is foul murder and in Denmark if there is peace, it is "the peace that reigned in Warsaw" with the soul of the country seared and its spirit in prison. We will not be thought to engage unnecessarily in any controversy as to the making of this war or its conduct when we find comment from the final pages of *Progress and Poverty*. How relevant these words: "Ormuzd still fights with Ahriman—the Prince of Light with the Powers of Darkness. . . . Beauty still lies imprisoned and iron wheels go over the good and true and beautiful that might spring from human lives." For the time being liberty gives way to tyranny and property is exposed to plunder in a country which more than most recognized the moral laws of civilized life; which has become the citadel of the philosophy Henry George has preached, the philosophy of economic freedom, of which the antithesis is the coercion and tyranny of the State, the dictatorship denying and deliberately aimed at suppressing the rights of the individual. But the truth has been so implanted in the minds and hearts of the Danish people that however great be their material suffering in this calamity, their spirit will triumph. When the sword is withdrawn and relief comes, Denmark will resume its steady march to the goal it was making, as a light to the rest of the world.

THE STORY OF REFORM

We have sometimes been cautioned by Danish friends not to set too high the progress that has been made in that country in the application of the land value policy. Yet it is impressive by comparison with other parts of

the world, although Denmark always enjoyed the advantage of a historic system of taxation which did not tax a man more for improving and developing his land and did not exempt from taxation the man who allowed his land to run down. It was the taxation which for several centuries was based on the "hartkorn" unit that is to say upon an assessment of the *potential* powers of the soil, its productivity if normally well cultivated, a form of taxation which rewarded industry, penalized neglect and secured as public revenue a large part of the rent of land due to differences in natural fertility. Before roads and railways were developed and country towns grew up to create the far greater differences due to advantage of situation, the hartkorn assessment was a wise basis of contribution providing a stimulus to and no check upon the better use of land. It was a peculiarly Danish institution and shows that long ago Denmark had a comprehension of social justice that other countries have been slow to appreciate. Historical is also the law prohibiting farm being added to farm and so helping to prevent the monopolisation of land in large estates.

THE LIBERATION OF THE PEASANTS

In 1788, under the beneficent rule of the Regent Crown Prince Frederick, who with his advisers had found good the teachings of the French Physiocrats, the peasants were liberated from villeinage; the old strip system of cultivation was abandoned and the commons were disposed of, not as in England by giving them to landlords and creating landless labourers, but by consolidating the land in new farms so that each holder had now the equivalent of his former rights to use the common. Later came the emancipation of the large class of crofters or housemen who, unaffected by the 1788 reforms, had been bound to render service under the manorial laws besides trying to eke out a living on their own scanty acres.

After the Napoleonic wars progress was such that in the course of two generations from 1820 to 1880 a former subjugated and poor peasantry was transformed

into a fairly well-to-do farming population. Co-operation was developed on a most democratic basis and multiplied a thousand fold the industry of these independent cultivators of the soil. Meanwhile another movement, educational and cultural, was expanding over the countryside in the People's High Schools, those simply appointed adult-residential colleges for which Denmark is so famous. They form "the spiritual, mental and economic background for the Henry George movement" in that country. And to the stranger visiting Denmark for the first time, who includes mankind or human welfare among the natural objects he travels to see, there can be no landscape more beautiful whether of mountains or lakes than that which gives to view those clean white farmsteads, dotted myriad like and mile after mile along the route he travels. In saying this we are not overlooking the most serious of Danish problems, that of the burden of mortgages which bonds so many of the peasants; but the Danes have hold of it and our traveller, if he is student-traveller as well, could learn how they believe it can be solved through the further and fuller application of the just system of taxation which exempts the results of work in the form of buildings, improvements and all else and obtains revenue from the value of land alone.

THE GROWTH OF AN IDEA

We have merely tried to indicate that Denmark has been a most fertile field for the planting and growth of the Henry George idea. Its most determined and steadfast supporters have been the smallholders, the housemen, who took the matter into politics in 1903 when the hartkorn assessment was being replaced in a wrong and unjust manner by the Government of the day. It was being "modernized" by a tax on land and buildings, having the effect that where land was most intensively developed the tax would be highest, reducing the tax on land less intensively developed and so presenting the bigger landholders with a large slice of the land value which the old system had turned into the Treasury. The housemen protested and their united associations made campaign upon the striking resolution adopted in the town of Køge, 1903, declaring that they sought no favours in the way of taxation but demanded the earliest possible removal of all tariffs and taxes upon articles of consumption and the provision of public revenues by taxation on the value of land apart from all buildings and improvements.

VALUATION OF THE LAND

The steps that have been taken since to give effect to that policy are admittedly only steps; Danish friends, rightly impatient that progress is slow, would say they are halting steps, but they are in the right direction. A remarkably efficient and democratic administration is established for a complete valuation of the whole country, showing in urban and rural districts alike the composite value and the land value of each piece of land. The first valuation of this nature was made in 1915 and there have been periodic valuations in 1920,

1924, 1927, 1932 and 1936; thereafter the valuation is revised every fifth year.

It would take too long to describe the mechanism of the valuation. One of its excellent features is the use of the land value maps published for every town and district by which the public can test or even help to improve the correctness of the assessment. The sets of these maps supplied to us by the Central Valuation Department are among the most valuable and instructive documents in our archives.

NATIONAL AND LOCAL LAND VALUE TAXATION

The process of transferring taxation from buildings and improvements (also reducing local income tax) and placing it on the value of land alone began in 1924 under the Act passed in 1922 which imposed a universal and uniform national land value tax of $1\frac{1}{2}$ per thousand of the selling value. In 1926 the Act was passed by which a considerable part of local taxation in the country districts, and a limited part in the towns, was levied on land values. The country districts were given greater powers of local option than the towns and it is over the rural areas—a significant fact for the progress of agriculture—that the policy has made the greatest advance. For county purposes revenue is derived almost entirely from the land value rate; for rural parish purposes, besides the now reduced local income tax, revenue comes from rating on land values and to a small degree from rating on improvements. Taking together all the country districts the land value rate is on the average equivalent to 2 per cent of the land value, whereas the local tax on land and buildings is on the average no more than 8 per thousand of their aggregate assessed value. In the towns, where local income tax is still the main source of revenue, the land value rate is restricted meanwhile to a maximum of $7\frac{1}{2}$ per 1,000; that rate or less operates in every town and it was only a matter of removing the restriction in the 1926 Act, which is a certain next step, to bring progress as far forward in the towns as that achieved to date in the country districts.

Fortunate indeed we would feel in this country and on the road to great advance if so much rating of land values were in operation here—equivalent to 8s. in the £ of the annual land value in country districts and to 3s. in the £ of the annual land value in the towns; not that we would have or should have such differentiation between town and country, but this way of stating it shows what Denmark has accomplished. And more.

In 1937 the Danish national land value tax was raised from $1\frac{1}{2}$ to 6 per 1,000; the yield of the additional $4\frac{1}{2}$ per 1,000 going to an equalization fund for relieving local authorities of certain expenses of national character, reducing the local income tax and contributing to a more even distribution of local taxation. The national land value tax so increased is equivalent, in English phrase, to 2s. 5d in the £ of the annual land value. And there is a further and special tax which is imposed on all increases in land value shown by the difference between the assessed value in 1932 as datum line and the value assessed at the next and succeeding periodic valuations of the whole country. The basic rate is 2 per cent but a number of deductions and abatements are made before the actual taxable increase is arrived at. This tax has no kinship with the ill-devised and ill-fated increment duty of the British 1909 Budget. It is a tax levied annually on that part of the land value which has increased, and it is additional to the ordinary land value tax which is levied on the whole of the land value.

Such is the story of Denmark's progress briefly told. The student can learn more by reference to the above-

A DANISH VIEW OF BRITISH FARMING. By Jakob E. Lange. 1s. 2d.

DANISH AGRARIAN AND SOCIAL EVOLUTION AND THE INFLUENCE OF HENRY GEORGE'S IDEAS THEREON. By JAKOB E. Lange. 3d.

TEN YEARS OF LAND VALUE TAXATION IN DENMARK. By Abel Brink. 3d.

LAND VALUATION IN DENMARK. By K. J. KRISTENSEN. 3d.
(The prices include postage.)

noted books and papers. A great mission has come out of Denmark, and not only in regard to this matter of just taxation but in all that pertains to culture and life and labour it has set many glorious examples. May it be to the Danes, even in their bitter adversity, a consolation that their present masters will also learn so that when they depart they will take home the lesson and apply it for the uprooting of the internal social injustices which were their curse and damnation.

Let us hear again the Danish people singing their beautiful songs and joining in the chorus of their national hymn, of which here is an English version of the last stanza :

Robust our speech and soft
Our faith is pure and simple
And courage never fails
Our dear land Denmark shall endure
As long as beech trees mirror
Their tops in blue sea waves.

A. W. M.

THE RIGHTS OF MAN

The discussion of a Declaration of the Rights of Man promoted by the *Daily Herald* resulted in a new version of Mr H. G. Wells' original draft. The revision was made by a committee consisting of Viscount Sankey (chairman), Sir Norman Angell, the Rt Hon Margaret Bondfield, Sir Richard Gregory, Lord Horder, Sir John Orr, Mr H. G. Wells, Mr Francis Williams, Mrs Barbara Wootton, and Mr Ritchie Calder (secretary), and was published in the *Daily Herald* of 20th April.

We have not space to quote the whole declaration, but the following passages dealing with economic matters deserve mention :

"Every man is a joint inheritor of all the natural resources and of the powers, inventions, and possibilities accumulated by our forefathers" (the first draft omitted the word "natural").

"In the enjoyment of his personal property, lawfully possessed, a man is entitled to protection from public or private violence, deprivation, compulsion and intimidation."

These two passages appear to draw a distinction between land and the products of labour, the former being subject to joint rights and the latter individual rights.

"Subject to the needs of the community, a man may engage in any lawful occupation, earning such pay as the contribution that his work makes to the welfare of the community may justify."

The original draft had an important clause which has now been omitted : "He shall have the right to buy or sell without discriminatory restrictions anything which may be lawfully bought or sold, in such quantities and with such restrictions as are compatible with the common welfare." It is unfortunate that this is left out. The right to work and to have personal property is not complete without the right to exchange, and the right of free exchange is essential to the specialization and division of labour which makes industry most productive.

The revised version also says that "work for the sole object of profit-making shall not be a lawful occupation." This is a plausible doctrine, but it is meaningless without a definition of that ambiguous word "profit." The word "work" presumably means productive work, and if so, how can its sole object be "profit-making"? The intention, perhaps, was to exclude activities by which one man may exploit another, but the phrases used are not adequate to express this idea.

More yet requires to be done to frame a declaration of human rights which will be satisfactory.

A HOLDING IN BUCKINGHAMSHIRE

Perhaps one of our readers who knows the district can supply information bearing on the following interesting note we have received from a veteran correspondent in New South Wales. He writes :

"Now for a few of my early recollections of English country life. I was living at a small village called Mursley, situate some four miles from Winslow, Bucks. It is, or was, as no doubt you know, essentially an agricultural district, and I remember that every year as soon as the winter set in and there was no work on the land, the men were put off, and a number of them and their families had to 'go on the parish.' I can well remember the relieving officer coming round with the relief. He was a big man, had a big horse and a glorified baker's cart, from which he doled out two loaves and 18 pence, or 3 loaves and 2s. according to the size of the family. And that was all the poor people had to live on, as they could save nothing on the miserable wage they received. At the top of the village one road turned off to the right, the other going straight on leading to the railway station, some 3 miles distant. Abutting on these two roads was a field of just over 60 acres, which was rented by a farmer for grazing purposes, for which he paid about £5 per year. Well, the Squire (Lowndes, I think his name was) took it into his gracious heart to let the labourers of the village have it, at a price. It was cut up into 60 acre allotments, and each man had one, and there being a few over, they balloted for them, the lucky ones thus getting two. He charged them one pound per allotment, per annum, which was a serious consideration for many of them, and they saved up that pound in threepences and even pennies during the year. The following year they turned that field into a paradise. They planted half with wheat, a portion with potatoes, onions, etc., and all sorts of vegetables, winter greens, etc. They sent two or three sacks of wheat to the mill and got it back as whole meal, they had long strings of onions, two or three pits of potatoes in the field, and other stuff. When the winter came down and there was no work, they went home without a worry. They were independent of the relieving officer, simply through getting access to that little bit of their country, even though at the excessive rent charged them. If you could ascertain if that field is still in use as stated, I would be much obliged. But don't go to any trouble over it as all this happened some 70 years ago, and a lot of water has gone under the bridges since then."

Our acknowledgments are due to *The Forward*, Glasgow, for reprinting in full in its issue of 13th April the article in our March issue on Robert Smillie and the landlords. It was our tribute to the man making good the omission from most of the Press obituaries of his historic exposure of the monopolists of the coal measures of this country. Also acknowledged is the reprint in the *Kelso Chronicle* of 5th April of numerous striking "land instances" that have appeared in our columns and giving us credit for the information.

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