

even intended to do either. It would pay Mr. Swope and Industry to pause and heed.

Society, civilization, are on trial. Shall the structure that has taken thousands of years to build, our heritage of ages of effort, of striving, of suffering for ideals that have become sacred, all be sacrificed now to shortsightedness and to greed? Shall individualism, liberty, freedom of thought and of action, the home, morality, culture, all be cast into the discard?

Is democracy to make way for untried and unproved schemes that have only unreasoned might and unscrupulous power behind them?

Yes, Mr. Swope, "it surely will be done," as you predict in your address. But what?

## Denmark's Land-Value Tax

INCREASED ECONOMIC AND SOCIAL BETTERMENTS STEADILY FOLLOW THE STEP-BY-STEP ACCEPTANCE OF HENRY GEORGE'S PRINCIPLES

IT is now nearly five years since the act of March, 1926, regarding land-value taxation was carried through the Danish Parliament and signed by the King. The act was carried in the face of opposition by the city landowners, who tried to prevent it by sending out pamphlets in which landowners big and little in country and city were told they were going to be ruined. But nevertheless the act was forthwith put into force. What are the results of these years of experience?

Of course no one claims that Denmark now has the Single Tax. Far from it. This measure was only the second small instalment of taxation of land values, the first being a national land-value tax put into force in 1924 taking the small amount of 1.50 kroner per 1,000 kroner land value.

The significance of the reform is best illustrated by giving the percentages in accordance with which the tax on land value is levied. The latest official information from the Danish Statistical Department is at hand for the financial years 1930-1931, comprising the local as well as the State taxes:

	<i>In the capital per 1,000 kroner</i>	<i>Provincial towns per 1,000 kroner</i>	<i>Country districts per 1,000 kroner</i>
1930-31.....	9.0	6.51	15.51
1931-32.....	9.0	7.18	16.53

The total amount levied is for the years shown in the following table:

	<i>Capital 1,000,000 kroner</i>	<i>Provincial 1,000,000 kroner</i>	<i>Country 1,000,000 kroner</i>	<i>Total 1,000,000 kroner</i>
1930-31.....	9.9	4.4	48.9	63.2
1931-32.....	10.5	4.9	49.0	64.4
Population 1930	723,000	788,000	2,040,000	3,551,000

The total amount of land-value taxes corresponds to very nearly 10 per cent of the total amount of taxes in Denmark, a little more in the country districts, and somewhat less in the towns.

This being the case, it is of course difficult to tell the economic effects of the change in taxation that is so small, especially in the country districts. Even before the reform we had taxation levied upon land value, especially in the country districts. In face of the Danish crown's going into par in 1926, and the general reduction in the prices of products in the world market, it is difficult to discern the effects of the taxation of land values. Of course the world depression is hampering industrial development in Denmark as elsewhere. The decreased buying power of our customers in England and Germany is also keeping the prices of our products lower than they normally would be.

Though prices are steadily declining, our production is increasing. Our production of butter and bacon, our most important articles of export, is interesting, as filed for the years 1922-1930:

	<i>Butter production 1,000,000 kilograms</i>	<i>Hogs delivered at bacon factories 1,000,000 kilograms</i>
1922.....	120	144.0
1923.....	132	221.9
1924.....	140	261.6
1925.....	141	244.8
1926.....	150	249.4
1927.....	162	331.4
1928.....	166	349.3
1929.....	179	324.6
1930.....	190	398.6

The production of butter from 1922 to 1926 was increased by 25 per cent, and from 1926 to 1930 by 27 per cent. The increase in mill. kg. of hogs delivered from 1922 to 1926 has been 105.4, and from 1926 to 1930 149.2 mill. kg.

The Danish bacon has in a few years outdistanced all countries in the English market in quantity as well as quality. Owing to the declining prices the value of the export has not risen in the same proportion as the quantity. At present the decline in prices is very marked. The index for exported articles in 1926 was 212, and is now for the month of October, 1931, only 96. The corresponding figures for the value of export surplus of agricultural products in 1926 are 847.9 mill kroner, and in 1930 930.6 mill kroner.

These figures show more than anything else can the solid development of Danish agriculture that apparently proceeds unhampered by the general world depression. Of course it is hard times for Danish agriculture as it is for agriculture everywhere. But what are the causes?

(1) The high prices which have been paid for farms in times of inflation from 1912 to 1926. These prices do not now correspond to the prices paid for agricultural products. The farms, the land on which farming is done, must be reduced in price before normal times can be reached.

(2) The enormous load of taxes which in great part are shifted to the farmer's shoulders because he is compelled to take the prices for his products that the world market affords.

(3) The high prices of industrial products used on the farm, in the main caused by the high tariff on such prod-

ucts. The abolition of the tariff would give him greater equality between agricultural and industrial pursuits.

These causes retarding the future development of agriculture can only be abolished by the collection of the economic rent and the abolition of taxes on industry and its products and the introduction of real free trade.

In regard to industrial production, the Institute of History and Political Economy has compiled indices for production as well as employment which show progress not as great as that attained by agricultural pursuits:

	<i>Index for production</i>	<i>Index for employment</i>
1922.....	100	100
1923.....	121	112
1924.....	136	124
1925.....	130	111
1926.....	126	111
1927.....	129	111
1928.....	140	118
1929.....	150	126

It will be noted that the index for production has increased from 100 to 150, while the index for employment has increased only from 100 to 126. The production per worker is larger in 1929 than in 1922. There is a steady gain during the entire period.

In building activity the result has been especially encouraging for the years in which taxation of land values has been in operation. For the cities and towns in Denmark the figures given below show the number of apartments built in the years 1922-30, that is before land-value taxes were introduced:

	<i>Number of apartments</i>	<i>Index 1922 = 100</i>
1922.....	5465	100
1923.....	7446	136
1924.....	6001	110
1925.....	7454	136
1926.....	8266	151
1927.....	8515	156
1928.....	8260	151
1929.....	9495	174
1930.....	11135	204

The building activity was exceedingly lively in 1930, and that rate is kept up in 1931. There is no doubt that housing conditions have improved from 1926. At the same time the number of persons living in care of local authorities has declined. It is a very encouraging fact that the congested streets in the inner circles of the capital are decreasing in population and new streets are being built on the outskirts of the city. The capital's suburban towns are increasing in population by leaps and bounds. Similar development has taken place in big provincial towns like Odense, where new houses are being built, largely for one or two families, usually with pretty little gardens.

In several cases the parceling out of great building areas may be ascribed directly to the taxation of land values. As buildings below 10,000 and 8,000 kroner in value in the capital and in most of the big provincial towns are exempt

from taxes, that fact is also to be taken into consideration when plans for new buildings are contemplated.

How have the wages of workmen stood during this period? Has increased production been reflected in increased rent or wages, or both?

Our official statistics show the following in regard to average trade-union-labor wages in the building industry, in qre. per hour, from 1922 to 1930. The real wages are then found by taking into account the cost of living:

	1922	1923	1924	1925	1926	1927	1928	1929	1930
Nominal wages...	141	136	144	150	136	130	128	129	132
Real wages.....	141	132	133	142	148	147	146	149	160

The rising tendency is clear. Labor has shared in the increase, though not a great deal. Much of it goes to rent or interest. It may be said that the increase in wages has continued in 1931, as the cost of living has decreased and nominal wages reduced by only a small percentage.

If the wages of the agricultural laborer is looked at from the same point of view there is hardly any increase to be noted except for the years 1930 and 1931.

How is the reform regarded by the local authorities, who in some degree have option in regard to the proportion in which taxes on real estate is to be levied compared to the local income tax? They also have, within certain limits, option in regard to exemptions of buildings and the percentage with which land value and building value is to be taxed. The latest official report shows that forty-eight of our eighty-five provincial towns have increased the per mill. with which the land-value tax is to be levied. None of the towns has reduced the per mill.

In the country districts, where the farmers are usually in the majority, one would naturally expect a low land-value tax in order to get more of the revenue from the non-landowning class. The opposite is the case; 1,135 out of 1,304 townships levy 40 per cent or more of their taxes on land values. In times of depression one would think that the farmers would reduce the taxes levied upon land values, but the fact is that the land-value tax is not reduced. The budgets of the townships for the financial years of 1931-1932 are levying about the same amount of land-value tax as in preceding years. The agitation for the reduction of the taxes on real estate has made no impression on the local authorities.

For the years 1932-1933 we are to levy the unearned-increment tax. Here also is local option. The capital, 39 provincial towns and 146 townships have expressed a desire to levy this tax. But as the maximum per mill. is 10, and there is a reduction in the increment before the tax is levied, the result will not be of much importance except in the capital and the big provincial towns, where some growth has taken place. But the government has proposed (Rigsdagen) for the third time the taking of one-half of the unearned increment all over the country. This bill has passed the House of Representatives but not the Senate.

It should also be mentioned that a new political party with three members in the House of Representatives has brought



in a bill proposing to collect the entire economic rent in instalments and to abolish all taxes. The bill was discussed in the House for three days and has created great interest in the idea, especially among the people staggering under the load of high taxes.

Even if it must be admitted that the steps toward our great ultimate are still small, it may be said that the movement is slowly developing into something more. World depressions and other events temporarily may retard instead of increase our progress, but Henry George's ideas now have such a foothold in this country that only carelessness or disregard for the coming good may permit special interests to stop this reform in its long and thorny road to realization.

Kongsvillie, Lyngly, Denmark. ABEL BRINK.

## Single Tax Trend

**S**INGLE TAX advocates have reason to feel encouraged. High taxes seem destined to bring about the adoption of their plan, not from choice but from necessity. Many who have never been convinced that the Single Tax is workable in a social system which permits the private ownership of real estate, agree that with the title to all land vested in the State a single tax in the guise of rental for the use of the land is entirely feasible and would solve the problem of equitable taxation. We would seem rapidly to be approaching the end of private ownership, due to the fact that the owners are unable to pay the taxes levied.

Right here in Newark the city faces the prospect of being compelled to take over hundreds of properties for non-payment of taxes, and the same condition prevails elsewhere. Looks as though the city might have to go into the real estate business in a big way in order to get some revenue out of the properties which it must take over. Perhaps the outlook is not as dark as it seems, but there is a host of property owners who cannot see how they are ever to pay their tax bills.—*Sunday Call*, Newark, N. J.

## Progress in Brazil

**O**N Sunday, Dec. 6, 1931, the *New York Herald Tribune* carried a small news item in its foreign news section, as follows:

### LAND TAX EXTENDED IN REVISION OF RIO GRANDE DO SUL SYSTEM

PORTO ALEGRE, Brazil, Dec. 5, 1931 (U. P.)—The Rio Grande do Sul State Government, headed by General Flores da Cunha, federal interventor, has revised the State tax system to meet economic and social requirements more fully. Formerly taxes were charged on buildings, but now the tax is based on the value of the land upon which the buildings stand. With the gradual substitution of this new system, the authorities are eliminating other taxes in proportion to the increased income from the land tax.

## Manhattan S. T. Club Activities

CHARLES H. INGERSOLL MAKING TRIUMPHAL TOUR OF MIDDLE WEST, SOUTH AND TO THE COAST

**S**INCE the unfortunate passing of our President, James R. Brown, on Sept. 20 last, the Manhattan Single Tax Club has been endeavoring, through the efforts of its officers and directors, to form a programme of procedure not only to go on with the work but if possible to widen the scope. To this end, it is our desire to form a board of lectureship, having several speakers on our staff, and also co-operating with all Single Tax organizations and activities throughout the country.

Our 1931 fiscal year ended Nov. 30, 1931. In that year, to the time of his death, Mr. Brown delivered 168 lectures, distributed as follows: Service and business men's clubs, 66; universities and colleges, 44; high and prep schools, 10; churches, 6; sundry organizations, 27, and radio talks 15, making a total of 168 lectures and addressing 15,889 people by actual count, aside from radio talks.

From Sept. 20 to Nov. 30, 1931, under the auspices of the Manhattan Single Tax Club, Charles H. Ingersoll delivered 10 addresses, 9 to service clubs and 1 to a high school, his audiences numbering 1,027, and Walter Fairchild delivered 4 lectures, 3 at service clubs and 1 at a fraternal order, his audiences numbering 210.

Dec. 1, 1931, began our new fiscal year. At the annual meeting of the club, held in its office, 1860 Broadway, New York City, on Dec. 8, election of officers took place.

It was considered the sense of the meeting that inasmuch as we could not at this time find a man to fill Mr. Brown's place, we would leave the office of President vacant for the present. Alfred Bishop Mason is permanently residing in Italy, and he was elected Honorary Vice President. Charles H. Ingersoll was elected Vice President in charge of organization work. O. K. Dorn was re-elected Treasurer, Walter Fairchild General Secretary, and Miss Elma Dame Recording Secretary. Directors elected were: John H. Allen, Richard Eyre, Spencer Heath, John M. Holmes, H. C. Maguire, Louis B. Parsons.

The Manhattan Single Tax Club has moved its headquarters from 1860 Broadway to Room 1711, 11 Park Place.

The lecture work of the Manhattan Club is continuing, as shown here:

On Dec. 10 Charles H. Ingersoll spoke for the Red Bank, N. J., Rotary Club, 75 present. A reporter for a local paper was there and gave a fine notice of the meeting in the *Red Bank Register*.

On Dec. 15 Oscar H. Geiger addressed the Lynbrook, N. Y., Exchange Club on "Hard Times, Cause and Cure;" 26 present. This was a very fine meeting.

On Dec. 20 Mr. Geiger addressed the Paterson, N. J., Young Men's and Young Women's Hebrew Association, attendance between 150 and 175. This was a splendid meeting and we have a request from Mr. Albert, the Executive Director, for another lecture by Mr. Geiger.

On Saturday, Dec. 26, Charles H. Ingersoll left New York for Columbus, O., where he is booked for lectures,