

The Advance of Opinion In Denmark

IN January 1916 a bill was introduced into the national legislature (Rigsdagen) by the Minister of Agriculture, Mr. Pedersen, proposing that whatever land at present is, and whatever in the future may come into the possession of the State, should be leased or sold to qualified private persons for small holdings, on condition that the holder should pay the ground rent, ascertained by valuations every fifth year.

This was by no means a Georgian measure. But because the expressions "ground rent" and "periodical valuations" were used in it, it was nevertheless regarded as such by the opposition parties (the Minister of Agriculture being known as a firm believer in land values taxation). Thus the discussion of the bill was to a large extent led into Georgian channels.

This was repeated somewhat more decidedly in the Spring of 1919, when the cabinet introduced a series of bills for the purpose of acquiring land on reasonable terms for agricultural labor, which in reality were a continuation or extension of the small holdings legislation, that has been operating for 20 years. But these bills contained a clause providing that the land should be disposed of in the manner described in the above mentioned bill of 1916, which was not yet passed. And the discussion was again directed toward the question of land values taxation.

The speaker for the "Radical Liberal" (Radikale Venstre) supported the bills, but declared that these bills were only war measures, the purpose of which was to relieve the need of the moment. The real land reform was yet to come, and the only way toward it was the taxation of land values. He therefore hoped that the government would soon take steps toward the realization of these ideas.

The speaker for the "Social Democratic Party" also declared himself in favor of taxation of land values as a means of getting land on the market at reasonable prices.

The Conservative Party and the old Liberal (Venstre), both parties representing the land owning classes in this country, are still against every measure looking toward the taxation of land values. And as these parties hold the majority in the upper house (Landstinget) the prospects of a bill providing for the taxation of land values are not good at present.

But in spite of this fact a bill proposing such a taxation will in all probability be introduced this Summer by the party in power (Det radikale Venstre).

MUNICIPAL ACTION

In April 1919 the radical group in the city council of Copenhagen, supported by the Social Democrats, introduced a bill into the council providing for the appointment of a committee for the purpose of considering the expediency of substituting a taxation of the unimproved value of sites for the present taxes of real property in the city of Copenhagen.

This proposal was accompanied by a plan, stating the manner in which such a change could be conveniently made, should it be deemed expedient.

The plan proposes: (1) that the present taxes on real property be estimated separately on each site, and collected into a fixed invariable amount to be paid as a site tax. And (2) that from the first of April 1921 on all sites within the limits of the City of Copenhagen a tax be imposed on their unimproved value, the rate of which is to be fixed by the city council. The tax, however, shall not exceed 2% of the value of the site.

In addition to this the city council is authorized to impose a tax on the unearned increment of site values. This tax must not exceed 1½% of the increase, and must not, added to the above mentioned site value tax, exceed 2½% of the entire value of the site in question.

This bill was carried, and a committee appointed. It was supported by the socialistic mayor, J. Jensen, and the independent member of council, Varming, lecturer on statistics at the University of Copenhagen.

EXPRESSIONS OF OPINION

L. V. Birch, professor of economy, says in his book: "Taxes and Prices of Real Property" (page 214):

"The ground rent tax may be able to fit into a system of taxes, even be destined to play an important part in the municipal taxation system, at least as a substitution for present taxes on real property—as a Single Tax for national purposes it is insufficient and subject to criticism."

And on page 233: "A policy which inflates land values is disastrous and short sighted."

The Minister of Agriculture, Mr. Pedersen, has often pronounced himself a supporter of land values taxation, and he is a member of the Henry George League. During the discussion of the above mentioned bill concerning the sale of public lands, he declared that it was very essential that the landholders should become accustomed to pay the rent of their land to the State.

Mr. Moesgaard-Kjeldsen, owner of a large estate and a prominent member of the Legislature, says in an official report of the Commission of Agricultural Reforms (Landbokommissionen):

"By imposing a tax on all land values in Denmark the inclination to sell land at a fair price will present itself to an extent sufficient to meet the demand."

Mr. Niels Frederiksen, member of the Legislature and a representative of the small holding class, said in discussing a bill concerning expropriation of land for the establishment of small holdings:

"I consider it necessary if this bill shall serve its purpose to pass as soon as possible a bill providing for a land value tax, based on a proper valuation, and therefore I shall on this occasion express my hope that the government will soon introduce such a bill into this assembly."

On the same occasion the speaker for the socialistic party, Mr. Marott, urged the imposition of a land value tax.

In addition to these favorable opinions many prominent

and influential men have declared themselves in favor of land values taxation.

In a resolution adopted on a party convention in 1916, the moderate Liberal Party (Venstre), says:

"The land should be valued separately so that equal taxation of equal land may become possible."

"The Radical Liberal" (Radical Venstre), the party now in power, and of which many of our most prominent Single Taxers are members, has been working for land values taxation ever since its start in 1905. Every one of its party conventions has shown itself more and more in favor of land value taxation.

A programme formed by the national convention of 1916 says as follows:

"The present taxation of real property should be altered into a land value tax in accordance with the principle: equal land, equal tax. The total amount of the land value tax should be considerably larger than that of the present taxes on real property."

In the municipalities the present taxes on real property should be abolished, and compensated by a tax on land values, totalizing at least to the same amount. The municipalities should have option in regard to the amount of the remaining taxes they wish to levy on the land values."

The Independent Social Democratic Party (Det uafhængige Socialdemokrati) founded after a split in the old party in 1918, adopted an almost straight Georgian land and tax programme. It runs as follows:

"Land with all its powers and resources should belong to the people in order to secure to each the full fruit of his labor. We will work toward this goal by confiscating the ground rent—State and municipality should collect a tax amounting to the full rental value of the land values created by society."

EXPRESSION OF OPINION BY ORGANIZATIONS

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

Another organization which already has taken up the fight for land value taxation is "The Societies for Lower Rents." The first societies were started in 1917 and have, during their short period of existence, acquired a large membership amounting now to 60,000.

At present the organization devotes itself mainly to the consultation with the tenants in matters of controversy

with the landlords, but it is the opinion of its most prominent members, who are Single Taxers, that it should take up social and political questions, and that the principle of land value taxation should be adopted. A resolution to this effect has already been carried at numerous local meetings arranged by the federation. It reads as follows:

"The city council is requested to take steps towards the confiscation of site values, which are created by the general development of society, in order that these values should not only be to the benefit of land owners, as has heretofore been the case, but to the benefit of the whole population, and thus become a means of contending against the corrupt speculation in the increase of house rents."

REPORT OF PARLIAMENTARY COMMISSIONS

Although this account, according to the editor's wishes, concerns only what has been done since 1914, I cannot omit mention of the fact that in 1910 a parliamentary commission was appointed for the purpose of making an inquiry into the municipal taxation systems with special regard to 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 whom, Mr. Berthelsen, 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. I mention this chiefly because this report is read in circles which are interested, which have influence in municipal affairs, and because the report will be of great use in a change in the taxation system of Copenhagen, consideration of which is going on at present.

THE INCREASE OF STRENGTH AND INFLUENCE OF LEAGUES AND ASSOCIATIONS

Originally there was but one league for the taxation of land values in Denmark (Henry George Foreningen). This society has not had any very large increase of members in the last five years, the war having absorbed popular interest.

In the meantime, however, several other organizations, working primarily for the same purpose, have sprung up. Among these is "Christian Social Association" (Kristelig Socialt Forbund), which has gained considerable foothold in religious circles interested in social questions. This association is new and in rapid growth.

"Democracy of Social Justice" (Retsdemokratiet) is another society working for the taxation of ground rent. It consists largely of men who are fond of strictly logical theories and with a philosophical turn of mind, and is as yet but little supported by the general population.

And finally there are two political young people's societies (Radical Ungdom) and (Uafhængig Venstreungdom) which are working for the principles of Henry George.

But the movement in Denmark cannot be measured by

the strength of these organizations. While the endeavor to create a powerful organization has not been very strong, there has been carried on for a number of years a vigorous propaganda, by able and lofty-minded men and women, which proves not to have been in vain. And besides, while the war in its period of duration has been an impediment to an effective propaganda, it has by its cessation and the outbreak of revolution in Europe worked as a great impetus to our ideas.

The bolshevik experiment in Russia has proved that socialism cannot save the world, and naturally the people, taught by experience, that the present state of affairs cannot continue, turn their minds to the ideas of Henry George, of which, thanks to the work of enlightenment done in the past, they have gained a partial knowledge.

Even the wealthy classes look towards these ideas as a plan of safety in the threatened wreckage. The question is debated everywhere, publicly and in private, and positive proposals for its realization form part of the discussion.

Denmark is perhaps that country where the prospects of a real and thorough Henry George reform are the brightest.

The political and social interest of the common people is greater than in most other countries, and the large small holding class, which is steadily growing in numbers, and gaining political influence, is in favor of land value taxation.

If you add to these the comparatively large group of idealists in the upper or intellectual classes which supports the movement, and consider the fact that organized labor and the social democrats in the long run will be unable to stand up against their own interest, you have a picture of the situation here.

JORGE PEDERSEN.

Some Practical Land Legislation in Denmark

I am sorry to say that here in Denmark we have not much to tell about the practical application of the taxation of land values. Our politicians have been so busy with everything else but stopping the speculation in land values that nothing in that line has been done. By general consent it was agreed among the leading political parties (Social-Democrats, Radical Lefts, Lefts and the Conservative Peoples party) that all questions of controversy were as far as possible to be extended during the war. To these the taxation of land values of course belongs. But we are now expecting that bills will be forthcoming at any time.

LAND VALUATION IN DENMARK

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 power to present complaints to the central board

of assessment (Overskyldraadat). In 1920 the general valuation of real estate is to be repeated and land is to be separated from improvements. That valuation—according to the Minister of Finance, Mr. Edvard Brandes—may be used for taxation of land values.

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 locality 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 central board is composed of 16 members, of whom the 6 beside the president and vice-president are appointed by the King, and 8 by the Parliament (Rigsdagen). This board may take on expert advisers and assistants in order to prepare the work.

The land owners are in some degree called upon to assist in valuing real estate. At each general valuation every owner of real estate has to fill 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 equalize 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.

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 the law of 1918, the district boards in 1920 are to ascertain separately the value of 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 medium 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 of smaller farms may bring a higher price than that of larger farms.

With the middle sized farm as a standard I should think that the valuations made in 1916 are at the present time (1919), owing to the great boom in real estate, about 50% below the actual market values, allowing for some differences for some of the districts, as the valuations largely depended upon the local boards.

In the cities the land values are fairly estimated according to market prices whenever sales of small lots 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.

Below is given the result of the valuation of real estate in 1916:

	Total value Land and Bldg Million Kroner	Land values Million Kroner	Land value in % of total value Million Kroner	Land value per person Million Kroner
Metropolis	2010	744	37.0	1063
Towns	1473	463	31.7	747
Country Districts	4454	2473	55.5	2112
Total	7937	3684	46.4	1261

The land values in the country districts are, I believe, comparatively higher than in the towns and the metropolis because improvements, such as draining, fencing, irrigation, etc., have not been subtracted from the land values.

On the whole, we may say that our land valuation is not at all perfect, but that some effort is being made to improve it in 1920, so that we may then get the real figures for community-created land values. ABEL BRINK.

What Is The Single Tax?

WITH APOLOGIES TO WALT MASON

THE law is this—the glad rains fall, tides run, and warm suns shine for all, and all the land, field, mine and glen, was made for all the sons of men. If 'twere not so, on earth the few could live by what the many do, just as man's laws contrive, alas, that this should really come to pass; that those who toil not, neither spin, the richer harvest gather in—stand as toll takers, while men toil for fellowmen who own the soil. Which proves how such laws contravene the laws of God, obscurely seen, dimly divined, since custom blinds what is so plain to simple minds.

The truth thus put in language plain is this: air, sun, the land and main, are not the things that man may loan, or sell, or lease, or call his own—not Property, but Nature, Nurse of all—the fruitful universe.

Again this law observe—all wealth from labor comes. Those who by stealth, or any means so ever, take of wealth they do not help to make, rob those who do. There are but three ways to obtain what wealth we see; three ways, (this law no man can shirk), three ways: to beg, to steal, to work. All men are in three classes then—beggars, and thieves, and workingmen.

Look round—who work the hardest get the least—they toil and toil and sweat, and of the wealth their work has won leave nothing when all labor's done. Their homes are hovels and their board is empty; yet what wealth is stored in unused piles—what millions more lie in the earth's unopened store, closed to the Worker where he stands with idle hands on idle lands.

What shall we do? The simple plan is just to open earth to man. No dream of heaven beyond the stars, but just a letting down the bars. A simple law of justice, hence a law of love and common sense, since love and wisdom follow these—justice, and her supreme decrees.

And how to do it—even here to those who look the way is clear. Where men and women congregate, where grow the government and state, where roads are made, and schools arise and lofty spires pierce the skies, and homes increase, and factories hum, and busy trade and commerce come—here, just because of all of these, the town's combined activities, one thing in value grows and grows. Not houses, horses, food or clothes, nothing of labor's brain and hand—but this, and this alone—the land.

This being so, what better way than this—that land alone should pay the cost of government that brings to land its value? Other things grow less with time, for goods decay, values decline from day to day, and what is wealth returns again to earth till naught but earth remain.

Look, too. Whene'er a tax is laid on labor, labor's hand is stayed, and every tax on wealth is sure to lay a burden on the poor. As myriad industries arise with taxes straight we penalize; where'er men gather and increase the sum of wealth, we cry "Police." Down on these highly dangerous groups our tax constabulary swoops.

Stupid, of course—but just because of long continued habits, laws like these to all men save a few seem quite the natural thing to do; yet why tax labor to defray the needs of government each day, when every work the state enacts points clearly to the natural tax? Nothing is done, if small or great, by groups of men we call the state, but all the worth of what is spent rises in economic rent. Then tax it; here are then the facts that justify the "Single Tax."

Not these alone; we further learn its consequences. We discern in this, the law of justice, much that follows from its magic touch. Wages will rise, since none will stand bidding for jobs—in all the land none will compete for work, and none need tramp from weary sun to sun.

The basic tribute swept away, all lesser forms will soon decay. For men once risen and made free are strong to grapple, keen to see. A newer epoch dawns to eyes that read new meaning in the skies. A world in which men strive no more. Labor at last unlocks the door, before which, stupidly and long, he crouched unconscious of his wrong!

Now in the light of justice fade the shapes that made our souls afraid, for mid the gloom our faith grown dim, faltered, and learned to doubt of Him. But now we know that where is spread the Board with God for Host and Head (so fadeth all our doubt and gloom), for every guest he calls is room. JOSEPH DANA MILLER.

JUDGE ADVOCATE-GENERAL BLANTON WINSHIP has denied that the French people claimed rentals for the ground occupied by the trenches at the front—and thus is a good story spoiled.