

***Report from Denmark by Bent Jensen which arrived too late  
to be read at the San Diego conference***

I would like to take this opportunity to mention the latest development in Denmark in the field of land value taxation and, at the same time, to bring forward a brief comment.

In Denmark the Justice party, which was founded about forty years ago with the main objective of advocating Henry George's ideas of free trade and land value taxation, has had representatives in parliament since 1926, and has during the past years been able to influence the fiscal legislation toward exempting buildings from taxation and to a corresponding extent increasing the taxation of land values. In addition, a special tax on rises in value of land has been in force since 1933, this tax having had the result that approximately half the rental increment of community created land values has been collected for public purposes during the past years. At the general election a year ago the Justice party, which is also known as the Single Tax party, had a fifty per cent increase and obtained three ministers in the coalition government formed after the election. The Justice party was prepared to introduce a bill aiming at collecting the entire increment of land values, but the two other parties represented in the government were in favor of collecting only the entire increment of land values of urban areas. A bill to that effect was introduced some months ago and was passed at the end of June. Since the act affects areas where rises in land values are bigger and more fatal than anywhere else, the whole population, excepting the land speculators, will benefit from it, and we hope that in a not too remote future the provisions of the act will apply also to rural land values.

Needless to emphasize that our main problem and main objective is to collect the

entire rent of land and not only the increment of the rent; But if, for political reasons, the Justice party, when endeavoring to collect the entire rent of land, should have to employ a step-by-step policy allowing the landowners to retain part of the rent during a certain number of years, then it will be of importance that they are, at least, prevented from retaining part of the increase of rent, such retention being tantamount to partially compensating for the loss of money invested in unimproved land.

But even though the landowners are prevented from retaining any part of the increment of rent, a land reform to the effect of collecting gradually the entire rent of land implies a partial compensation for loss of money invested in unimproved land. If for instance during twenty-five years the rent collected for public purposes is increased annually by  $1/25$  of the total rent, the amounts accorded to the landowners will fall from  $24/25$  of the rent to nil, these amounts, when capitalized at the beginning of the period, making a total of 36.4 per cent of the land value at that time, at the rate of 4 per cent. In countries where no steps have been taken to separate collection of the increase of rent, the compensation accorded to the landowners will, of course, be much bigger than that stated above. In Denmark we have in time provided rather efficiently against private collection of the increase of the rent so as to be able to reduce the compensation to landowners.

I hope that single taxers in other countries may be able to induce their legislators to adopt similar measures, for the fact remains—and we have to face it, that step-by-step collection for public purposes of the rent of land implies a considerable compensation to the present landowners.