

# *They Learn it in High School*

by BENT JENSEN

AT ONE of the conference meetings in Hanover last summer I mentioned that in some Danish civics textbooks the economic and ethical reasons for taxation of land values were explained in a fairly detailed manner. Some of the visitors, including Sidney Evans of San Diego, asked me to send them a translation of such a passage. Now at last I have found time to meet the request, and it occurred to me that readers of HGN might be interested to know what is taught in Danish high schools about Henry George.

Arleigh Chute in his article " . . . And None Escaped" (March), comments on the Communists's attempt to convince American soldiers in Korean prison camps that they have no reason to be proud of the results of their democracy. He adds, "how many could be expected to answer, when these topics are hardly mentioned in high schools and colleges?" From my experience with American high school students, I know Mr. Chute's concern is well-founded.

As to coming events in Denmark, very soon a law will be passed laying down that people who purchase land belonging to the state or to communes should only pay the land rent to the community, as thousands of small holders have been doing since 1919 when most of the entailed estates were cut off. Furthermore, a new increment tax act will be passed so the greater part of the increase of the land rent will in the future be collected for the benefit of society.

## **The following is an extract from a textbook of civics used in Danish High Schools:**

The value of land is not only dependent upon the acreage and the fertility, or upon the price of the produce of the soil, but may also be determined by other conditions, for instance location. Since a lot in the middle of a town or close to it can be sold for building activities, the value of it will be much higher than the value of a similar lot located in an out-of-the-way-place. The owner of a farm near a town, a harbor, or a railway station, has smaller expenses for selling his products and getting his necessities, and therefore, compared with the owner of the remote farm, he will be able to obtain a greater profit, solely on account of the location of his farm.

The special profit which a man in his capacity as landowner, can obtain in these circumstances, is called land rent. Since this rent is very often created as a result of government activities and public services, it has gradually become a generally accepted view that the land rent should not go to the land holder, but to the society whose activities gave rise to it. The most expedient way for the state to collect the land rent is to levy a special tax on land values, especially on unearned increments.

In Denmark, for instance, an act aiming at collecting part of unearned increments due to railway construction was carried into effect some years ago. Furthermore, the state and the local

authorities as well, are now levying a general tax on any kind of unearned increment.\*

Land rent may also be adopted in new colonies, where the soil comes under cultivation gradually. The settlers begin by cultivating the most fertile or the best located lots, where the working expenses can be covered, if, for instance, grain can be sold for 30 crowns a barrel. If, however, the population of the country increases, so that less fertile or more out-of-the-way-lots must be brought under the plow, the working expenses for farmers who will have to till land like that will increase, involving a rise in the price of grain, possibly to 40 crowns a barrel. While the owners of the less profitable lots only just manage to have their working expenses covered, the holders of the lots first occupied will be able to increase their profit by 10 crowns a barrel. This additional profit is not due to any special effort on the part of these farmers, but is solely the result of the fact that they have possession of the most fertile or the best located lots. The additional profit obtainable is the land rent of the lots in question.

\* The increment tax is paid on top of the ordinary land tax (grundskyld), which averages about four per cent of the land value, exclusive of improvements. Public valuation takes place every four years. (Translator's note)

The opinion has been advanced that, actually, ownership of land will always yield a land rent, because arable land is not available in unlimited quantities, so that only a comparatively small number of individuals will be able to get possession of it. Thus the landowners have obtained an advantage over their fellow countrymen, and this state of things is neither a result of the land owners' personal efforts nor of the capital invested in their properties. Some people, therefore, are of opinion that also the land rent arising from the fact that the area available is limited, should accrue to the community.

For that purpose Henry George, an American economist, proposed that all land values should be taxed to such an extent that the special advantage of ownership of land was offset. He argued that taxation of land values would make all other taxes unnecessary (Georgism).

Land value taxation is the principal item on the Justice party platform, and now the Radical Liberals and the Social Democrats have adopted the same policy, whereas the Moderate Liberals seem to be vacillating. The Conservatives oppose, maintaining that taxation of land values is a one-sided policy. They are of opinion that only an actual increase of land value, stated by scale, should be taxed.

#### EDUCATING OR DOMESTICATING

"Our word 'education' is a misnomer. We are not educating; we are domesticating. To educate is to develop latent capabilities so that one may be strong to overcome the hampering obstacles of prejudice and environment in reaching out for truth. To domesticate is to train one to accept the prejudices, and to obey the conventions, of his environment. To educate is to develop free activity. To domesticate is to train to a prescribed end for a prescribed purpose. The domesticated animal, whether a biped or a quadruped, believes what he is made to believe, and does what he is made to do. The educated being believes what appeals to his reason, and thinks for himself. To educate is to teach people how to think; to domesticate is to teach people what to think. The process of domestication, toward which we are drifting, makes for small, narrow, and prejudiced minds."

—Thomas S. Clarke, from a Symposium in *The Rotarian*.