

DENMARK (contd.)

INCREASED BUILDING

The notable feature of these comparisons is that in relation to the actual concrete wealth of the country the value of land has fallen. It is a healthy sign that land value, which is not an addition to but a subtraction from the wealth that is produced, takes a smaller share. While it is seen that land value in Copenhagen has gone up by 81,000,000 crowns (£4,500,000) it is more important to notice that new buildings and improvements account for an increase in building values of more than four times as much, namely 342,000,000 crowns or £19,000,000. These figures do not fully represent the actual building activity that has taken place since the cost of building has fallen in the interval in sympathy with the fall in the prices of building materials. It is sufficient to note that building has progressed under the incidence of the land value rate and the following information, taken from the *Statistical Year Book*, is further testimony to this:—

				NEW DWELLINGS ERECTED	
				Copen- hagen	Provincial Boroughs
Average 1916-1921	...	...	...	2,875	2,579
Year 1929	...	...	...	5,491	4,004
" 1930	...	...	...	6,154	4,981
" 1931	...	...	...	8,522	5,101

Another sign of better housing conditions is the reduction of "overcrowding" which in Denmark is defined as more than two persons per room occupied. Although population has increased the "overcrowded" were reduced in Copenhagen from 134,054 in 1924 to 101,982 in 1930; and in the provincial boroughs from 145,527 to 112,327 in the same years.

LAND VALUE MAPS

By courtesy of the Central Valuation Board we receive, as they are published, the "Land Value Maps" of the various towns and districts of Denmark. The 1932 series now includes Copenhagen, the book of which comprises 68 sheets and is most illuminating. It is interesting to compare this 1932 "bird's eye view" of the city valuation with that for 1927 and judge with what care and competence the work is done. These maps are part of the "publicity" to which the authorities rightly attach the greatest importance, and without which, indeed, no rational agreed valuation is possible. Anyone can see for himself from the figures entered on the maps what land value has been assessed against any and every plot of land and judge by comparison (the essential keynote of land valuation) whether the assessments are in just relation to one another.

THE GENERAL ELECTION

The Government, faced by the Opposition of the Upper House on its policy in the matter of exchanges, forced a General Election on 16th November and was returned with a net loss of one seat. The position in the Lower House is now: Government Parties 76, including Social Democrats 62, and Radical Liberals 14; Opposition Parties 65, including Conservatives 27 and Moderate Liberals 38; Independent Parties—Justice League 4 and Communists 2. How the Government will manage to overcome the obstruction in the Upper House (where it is in the minority and where also progressive land value legislation has been held up repeatedly) remains to be seen. Mr Axel Fraenkel has written us that the Upper House has already thought better since the Election by yielding in some measure to the demands of the Government, and by that token perhaps it will not put up the same opposition in future to the land value legislation the Government is pledged to promote.

The Election campaign was marked by an intensive agitation for the Land Value Policy and Free Trade and there was naturally the greatest activity in the Henry George movement.

Danish Justice League Policy

As we go to press we have received copy of the "Bill for the Transition from Tax to Due" recently introduced in the Danish Parliament by the Justice League. The pity is that such a whimsical proposal is put forward by any body of persons presuming to speak in the name of the Land Value Policy.

The Justice League started in 1920 with a programme that included a capital levy and subventions from its proceeds in favour of landowners. This programme, with its palpable compensation to landowners, after being bandied about in intense discussion extending over the years (latterly it was mercilessly and righteously whipped by the pen of Sophus Berthelsen) now takes shape in legislative form with only immaterial modification.

Two capital levies are now proposed: one, a *general levy* on the personal possessions in land, buildings, machinery, stock-in-trade, bonds, shares, etc., that are now assessed for the existing graduated tax on such property.

The rate of the *general levy* is not named in the Bill, but it would have to be considerable because it is to be used "to liquidate the National Debt." It is to be "once for all"—a naive promise that this particularly Bolshevik kind of taxation will not be repeated; it can be converted into annual instalments spread over 25 years; it would thus become virtually a tax falling on income—the only way, at any rate, that a business concern could meet it, which cannot possibly divide up or realize a factory or other assets—and as that tax coming out of income would be based "once for all" on a cast-iron assessment, it would be as harsh a burden as could be devised on the employment of all *real* capital in the country.

The Bill mixes up with its projects a spurious plan for the collection of the "full annual land value," whereby to abolish all taxation on industry and improvements and to repeal customs tariffs as well: that is, with exception of duties on tobacco, beer and spirits. Certainly, taxation on industry is *not* abolished while the burden of meeting the capital levy on buildings, machinery, goods in store, etc., remains—and this for the sake of the bondholders at the expense of the factory owner, the ship owner, or any business man whose assets had in 1933 a "capital value" amenable to assessment for the "once for all" capital levy.

Bondholders of the National Debt would contribute to the general levy; but as all other "wealth possessors" would also contribute, these bondholders would get back more than they paid towards the "liquidation." Apparently the bondholders of municipal debts (paying their share of the general levy and getting *nothing* back—since only State debts are named for redemption) would be less happily situated. It is a travesty of justice.

As to one class of "wealth possessors"—the mortgagees of real estate—they would have to bear (in addition to the general levy?) a special levy of their own for purposes mentioned below. But a third class of property owners should come into the picture. It is not clear how those who have much wealth in the form of personal effects, jewellery, objects of art, trinkets and so on would be placed. It seems that they would escape entirely since there is no assessment to-day of such possessions for the existing property tax and the Bill does not make that good. If the Bill was ever taken seriously, there would be a wholesale transference of property into these things, making necessary—for the declared intentions of the Bill—a house-to-house search for the new assessment or a turning out of the pockets in presence of the tax-collectors of the "Just State."

The capital levy on mortgages is designed to "place landowners on an equal footing" (as the explanatory note to the Bill puts it) with other possessors of "wealth," so that landowners, *whether mortgaged or not*, will be relieved for twenty-five years of two-fifths of payment of the full annual value (called the "Land Value Due"); during that period the landowners will pay three-fifths of the full annual value and the rest will be paid by mortgagees as a class. Further, where the land is mortgaged, the owner and the mortgagee will share the payment of the "Land Value Due," so that in an ascending scale (increasing by one-twenty-fifth each year) the owner pays more and more

till he pays the lot after the passage of 25 years; and the mortgagee, starting with payment of the "Land Value Due" corresponding to the amount of the mortgage, pays less and less (by one twenty-fifth each year) until after the lapse of 25 years he pays nothing.

In the scheme of things conceived in this Bill the private possession of land value is regarded as something equally justifiable with the possession of the products of labour; and the whole principle underlying the taxation of land values is thrown away. It is as if *Progress and Poverty* had never been written.

As a direction to public thought, the Bill is to be deeply deplored. It is based on the erroneous belief that the end justifies the means. In effect it says: Let us get to the "just state," and to get there we must perforce abandon all distinction between what truly belongs to the community and what truly belongs to the individual: Let a general tax be imposed on everything—for that is what a capital levy means. But assuming that such a stage is reached, what hope is there that the people, having been so wrongly directed to begin with, will recognise, or be permitted to recognise, that land value alone is the property of the community?

The political damage being done is worse than this. There are clauses in the Bill providing—in time—for the repeal of the Danish Land Value Tax Acts of 1922 and 1926. It is a shameless gift to the opponents of land value taxation, who can join up here "right now," and, making common cause with the Justice League, demand the *instant* repeal of these Acts and so destroy the foundation the Danish Henry George movement has built so well and so soundly.

A. W. M.

UNITED STATES

The Memphis Conference

The Seventh Annual Congress of the Henry George Foundation of the United States was held at Memphis on 10th to 12th October, as noted in *Land & Liberty* for September-October.

A number of resolutions were adopted. We quote from the report of *Land and Freedom*, November-December issue (150 Nassau Street, New York City):—

"We further declare that the need of exempting from taxation the farmer's capital and products applies also to the manufacturer—both of whom should be taxed only on the value of their land.

"Whereas, all employment originates in and upon the land:

"Be it resolved, that we favour the freeing of the earth from private monopoly by instituting the Single Tax upon land values, thus restoring to all men their equal rights to the use of the earth, thus opening jobs for all, stimulating employment and raising wages.

"Resolved, that we call upon the States to alter and liberalize their constitutions and laws to the end that the smaller units (municipalities, counties and districts) be empowered to raise their revenues from whatever sources they deem proper, without hindrance from the State itself.

"Resolved, that we see in the agitation for lessening of taxation on real estate a movement principally to shift taxation to those less able to pay, by imposing general sales taxes and an increase in the gasoline tax. While advocating the exemption of improvements from taxation, we favour increased taxes on the value of the bare land and condemn all forms of sales taxes as unjust, particularly because the victims are so often unaware of the burden which they are carrying."

Mr P. R. Williams (Secretary) writes to Mr Madsen, 28th October: "All of the parcels which you kindly sent reached us in good time and we are grateful to you for supplying this very interesting publicity, advertising matter and display cards. These were circulated and

displayed at the Memphis Convention and attracted favourable attention, and I also had the pleasure of reading in full your very interesting report of the splendid work that has been done, especially in the matter of printing and distributing books and pamphlets, through the Henry George Foundation of Great Britain. This, indeed, represents a notable achievement and I offer our hearty congratulations.

"Our actual attendance was limited to about one hundred persons, but through exceptionally generous newspaper publicity and daily radio broadcasts we reached the largest audience we have yet had and our first Single Tax convention in the South was highly gratifying to all who participated. We have a very influential and active group in Memphis, and were accorded the finest sort of co-operation in every respect."

AUSTRALIA

The Federal Land Tax

Progress (Melbourne) of December, discussing the proposal by the Australian Government to reduce the Federal Land Tax, writes:—

"In our February issue an article on the Federal Land 'Tax' and the open and hidden foes seeking its reduction and abolition, stated: 'We shall soon see whether the Lyons Government acquiesces in the well-organized vested interests still ruling and ruining us, or whether it dares to strike a blow at the monopoly forces strangling Australia.' The answer has come in its over 400 increases in the protective tariff. Also in its proposal to reduce the Land 'Tax' by one-third, with talk of its ultimate abolition.

"It is under the plea of hardship that all Federal Land Tax payers, sufferers and otherwise, are to benefit by this one-third reduction. That all the possessors of valuable areas of country and city lands are in urgent need of this relief, even at the expense of our old and sick and those taxed on earnings as low as £50 per annum, is too grotesque a fiction.

"The *Age* (14th November, 1932), to its credit, rightly dealt with this aspect: 'It is impossible to ignore the fact that each recipient of the relief is the owner of land having an unimproved value of over £5,000 and that among the beneficiaries will be city land owners. It will grate upon a large body of the public to note that by exactions from the old and sick a saving of £1,100,000 is to be effected, while landowners and those with income from property are to be granted concessions totalling £1,100,000.'

"A further illustration of the gross unfairness of the proposal is seen in the statement (*vide* the *Argus*, 19th November, 1932) of Mr J. B. Cramsie, formerly chairman of the Metropolitan Meat Industry Board and of the Australian Meat Council, who said: 'Meat prices on the London market had risen since the Ottawa Conference by from one penny to one penny half-penny a lb. This had resulted in an increased value of 25s. a head on every bullock, 4s. on every grown sheep, and 3s. on every lamb that Australia was in a position to send to the market.'

"This increased wealth to our pastoralists, with promises of much further additions, all at the expense of the English poor (to our shame) will alone raise the value of Australian lands by many millions of pounds. Will there be any request for the re-imposition of the one-third now remitted, as these values go up? We do not look for any such manifestation of fairness where the sufferings of the over-taxed poor are concerned."

SOUTH AUSTRALIA

Mr E. J. Craigie, M.P. for the Flinders Division, writes, 22nd November: "Our Parliament closed its final session last week and early next year, about the end of January, we shall start on our long election trail throughout the district. We expect to speak every night for about ten or eleven weeks. I feel confident that we shall win the two seats this time. My sitting Liberal colleague is not contesting this district on this occasion. The first week in December I go to the River Murray district to address a series of meetings arranged by the Berri branch; and next week I am off to a country town to do a meeting to assist some independent candidates who are coming out

Read "Land Value Taxation in Practice,"
The Experience of New South Wales and
Sydney. By Alderman J. R. Firth, Mayor of
Strathfield, N.S.W. Pamphlet, Price 1d.