

INTERNATIONAL NEWS

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UNITED STATES

The Henry George Congress

The Tenth Annual Congress under auspices of the Henry George Foundation of America will be held from 26th to 28th September in Hotel New Yorker, 34th Street and 8th Avenue, New York City. Mr Edmund P. Donovan will preside. A strong programme has been arranged and this year one of the main sessions will be devoted particularly to the International aspects of the movement. Attending from overseas are Mr F. Folke, the President of the Danish Henry George League, and Mr A. W. Madsen, the Editor of *Land & Liberty*. Members of the Congress will participate in a pilgrimage to the grave of Henry George and Tom L. Johnson at the Greenwood Cemetery, where in honour of a great memory and in behalf of followers the world over fitting tribute will be paid.

ARGENTINA

The Council of the City of Rosario has increased the tax on land values from 2 per 1,000 to 5 per 1,000. The Argentine newspaper *La Vanguardia* (13th June) says: "The definite adoption of the tax on land value, apart from improvements, marks the triumph of a fiscal doctrine which is steadily gaining ground. This could not be otherwise, for it has been demonstrated by the socialists, and especially by Juan B. Justo, that the tax on the unimproved value of land is the most just from the point of view of equality of burden, the most beneficial in encouraging production, and the most scientific since it can be ascertained with accuracy and is socially advantageous as falling upon a special privilege in the form of the rent of land."

SPAIN

The following survey of the legislative progress of the movement for the taxation of land values in Spain is based upon information supplied by Don Baldomero Argente, the president of the Spanish League, and editor of *La Reforma Social*. It is believed that this is the most complete and accurate account which has yet been published in English.

By a law of 12th June, 1911, municipal corporations were permitted to abolish the tax on foodstuffs and to replace it by one or other of certain alternatives including a tax of not more than $\frac{1}{2}$ per cent on the selling value of vacant land. Madrid, the majority of the provincial capitals, and various other cities immediately made use of these powers. Where adopted the tax applied to all land, within the city boundaries, which had not been built upon. The land was divided into two classes, viz., land in the completely urban zone and land outside that zone. Land in the urban zone was from the passing of the Act assessed at its selling value. Land outside the urban zone is assessed at its selling value (owing to an amending Act of 1924) provided that value is at least double its value for agricultural purposes simply, but otherwise is assessed as if it were agricultural land of the first quality.

There was also introduced in 1911 a Bill for a national tax on land values, but the landlords succeeded in so modifying it that the land would not be valued at more than the value of agricultural land of the first quality, and the measure became ineffective.

The municipal tax of 1911 was due to the initiative of Senor Argente, who was then a Deputy and a member of the Commission on Taxation.

The Provincial Code of 1925 allowed the Provincial Councils (*i.e.*, county councils) to duplicate the tax on vacant lands levied by the municipalities and use the proceeds for provincial revenue. Thus where this power was exercised, in addition to the $\frac{1}{2}$ per cent on vacant land raised for municipal purposes, another $\frac{1}{2}$ per cent would be raised for provincial purposes. Various provinces, including that of Barcelona, have made use of this power.

A law of 27th August, 1932, empowered municipalities which had approved schemes for the provision of cheap houses to increase the tax on vacant land from $\frac{1}{2}$ per cent up to not more than $\frac{2}{3}$ per cent. The city council of Madrid has made use of this provision.

A new municipal code was enacted in 1934. This re-enacted the law of 1911, and added an important new provision. In order that this may be understood it should be explained that the Spanish Government levies a real estate tax on the annual value of land and improvements. The municipalities levied a tax of 20 per cent of the State tax (designated as a surcharge on the State tax) for their own revenues. The code of 1934 enabled the municipalities to replace this surcharge by a tax on the value of land apart from improvements, whether built upon or not, such tax not to exceed 1 per cent. It was provided, however, that for a period of five years from the adoption of this tax the municipalities should not raise more revenue than they would have obtained from the surcharge. The incentive to adopt this provision has been correspondingly weakened.

A Catalan law of 13th April, 1933, applying only to Barcelona, allowed the council of that city to levy a tax of not more than $\frac{1}{4}$ per cent on the value of all land apart from improvements. This tax was to be in addition to the tax on vacant land. The city council is now levying the tax and obtaining a revenue of some five million pesetas a year.

Another Catalan law of 19th March, 1934, allowed all Catalan municipalities of more than 10,000 population (excluding Barcelona) to impose a tax of not more than 1 per cent on the value of all land apart from improvements. This is by far the most advanced legislation yet passed in Spain, as the municipalities are not subject to any restrictive conditions as to the purposes for which the revenue may be raised.

Lastly, a law of 1935 permitted the city of Seville to levy a tax of not more than 2 per cent on the value of vacant land (such tax to include the $\frac{1}{2}$ per cent allowed by the general law).

In all cases the rates of taxation mentioned are maxima, but wherever any of these laws have been adopted the municipalities have applied the maximum rate.

In Catalonia many important municipalities decided to apply the law of 1934, but in the recent disturbances and under the pressure of the landowners the Government in some cases suspended the operation of the resolutions adopted by the municipalities and in other cases suspended the municipal councils and entrusted the local administration to juntas in which landed proprietors predominated. Even in these municipalities, however, the $\frac{1}{2}$ per cent tax on vacant land is still being collected in those cases where it had already been adopted.

The majority of Spanish towns of importance have made a valuation of the land apart from buildings and improvements. For this purpose they are divided into zones and the zones sub-divided into polygons. To

each of the latter a mean value per square metre is assigned, and in applying this unit value to calculate the value of individual plots additions or subtractions are made according as the individual situation is more advantageous (e.g., frontage to two or more streets) or less advantageous (e.g., excessive depth) than the average. The value thus ascertained prevails unless the proprietor appeals, in which case the valuation is settled by experts. The rules for the valuation and the maintenance of the register were established under the Act of 1911.

The valuations are made by the municipalities, and are, generally speaking, well done, although they tend to be somewhat low. A revaluation takes place every three years.

La Reforma Social for August contains the sad news of the death on 30th July of Doña Elena Argente, wife of the President of the Spanish League. Following upon the loss of their only daughter a few years ago this fresh blow will evoke respectful and sincere sympathy for our distinguished colleague.

The Madrid branch of the Republican Union has formulated a programme which is to be discussed at the full assembly of this party. The section dealing with tax reform demands:—

A re-adjustment of taxation so that it shall bear an inverse proportion to the social utility of the wealth on which it is imposed.

A gradual transformation of the present fiscal system, on the basis of a gradually increasing absorption by the State of rents due to the presence and activity of society and not to labour and capital.

A gradual change of the present agricultural tax, which instead of being based on the product should be based on the productive capacity of the land, that is to say its value excluding the value of the improvements.

Imposition of a tax on the value of land, whether built upon or not, in all municipal areas with a corresponding suppression of all national, provincial or municipal taxation on buildings and on consumable goods.

ADOLF DAMASCHKE

We regret to report the death of Dr Adolf Damaschke, for 37 years the leader of the Union of German Land Reformers. He was in his seventieth year and, up to the last, maintained his extraordinary energy in his chosen field. "Bodenreform" and "Damaschke" have been synonymous terms in Germany for so long that the breach will be difficult to make good. By voice and pen, on the platform, by his intense literary work in books, pamphlets, newspaper articles, by the weekly *Bodenreform* and the remarkable contribution of the *Year Book of Land Reform*, now making 30 volumes, he directed thought to the cause of social ills in a wrong land system. Noteworthy is the continuance of *Bodenreform* appearing (latterly as a fortnightly) right up to the present date, the new regime not objecting. Damaschke as a land reformer took up and devoted himself to many projects, such as land settlement, the increment tax, small holdings, the removal of feudal restrictions, housing schemes and the rest of the "ad hoc" policies upon which, alas, in our own country, reformers have spent so much effort in vain, not getting to the root of the problem. For Damaschke, land value taxation was more incidental than fundamental, although through his agency *Progress and Poverty* and others of Henry George's works have been given wide publicity. His own introduction to the Gustav Fischer edition of *Progress and Poverty* is an eloquent tribute to

the author; but here Damaschke explains himself and his attitude: "Joseph Fels paid me a visit and offered me for the German Union of Land Reformers the same financial support as he was giving in England and America, if in our journals, *Bodenreform* and the *Year Book*, I would advocate the 'pure' doctrine of *Progress and Poverty*, that is of the 'Single Tax.' When I pointed out that in my own book, *Land Reform*, and in my *History of Political Economy*, and in various special writings I had always endeavoured to make this great American master personally and in his basic ideas known to our people, this did not satisfy. And the contention was rebutted that we would be acting precisely in the spirit of Henry George if we determined the steps to be taken in Germany toward our goal in the light of the conditions existing in Germany. We parted without coming to an understanding." In fact, Damaschke was saying that he could not concentrate upon land value taxation and the remission of taxes on trade and industry, as if German conditions made any difference to the law of rent. He dissipated his energy over many fields, but he is to be remembered for the gold he did dig up, one piece being his classic *Battles for Land Reform in Greece and Rome*, an extract from which was translated into English and published by the Joseph Fels Fund of America. To Dr Damaschke's relations and to his colleagues and co-workers in the German Land Reform movement, who have no light task these days, we offer our sincere condolences.

FRANCE

The latest quarterly issue (April-June) of *Terre et Liberté* has much interesting information, including an article on "Georgeism in Holland"; report of the Chicago Conference in 1934; translation of an article by Dr Damaschke on the Land Values Question in France; a sketch of "Leon Walras and his Time," especially interesting to the economic student; a short biography of Henry George from the columns of *L'Espoir du Monde*; a continued series of "How to Fight Poverty with the Truth"; and among the matter from other countries is a complete translation of Mr Lester's article "Man and the Machine" taken from *Land & Liberty*. Collaborators of the Journal are Sam Meyer and M. Daudé Bancel, and besides these the contributions are from V. Precy, F. Bernard, P. Giannelia, G. H. Bousquet, N. Ivanoff, Miss Brun and E. Armand. Our readers who "have the French language" should subscribe to this excellent Journal (at 40 francs yearly) obtainable from 29 Boul. Bourdon, Paris, IV.

M. Sam Meyer, who is a member of the Executive of our International Union, writes to say with how much regret, in view of business engagements, he is prevented from attending the Henry George Commemoration Dinner in London on the 17th September, while conveying a greeting to all who will be present.

The "Dolmetscher Institute" of the University of Heidelberg made application for literature dealing with the Taxation of Land Values and the Henry George principle and policy. A large assortment was sent and we have acknowledgment from the Director expressing sincerest thanks for the material. "The publications," it is said, "will not only prove most useful for our work but the matter itself is of extreme interest." Literally "Dolmetscher" means "interpreter" and if in Heidelberg the Single Tax philosophy in this English setting is to be interpreted to all who visit the University speaking or studying English, one knows not what repercussions that may have for the good of Germany as for the world outside.