

THE PROGRESS OF LAND VALUE TAXATION ABROAD, WITH SPECIAL REFERENCE TO DENMARK.

(Report of Address delivered by Mr. A. W. MADSEN, B.Sc., at one of the Glasgow Conference meetings on 9th October, and at the Henry George Club, London, on 14th November).

Mr. Madsen said it had recently been his and Mrs. Madsen's pleasure to spend several weeks in Denmark, where he attended and addressed, as representing the movement in the United Kingdom, the Danish Annual Henry George Convention and Celebration held in Odense on 25th and 26th September. During his stay he had learned much about the activities of the Danish movement, the influence of which might be gauged from the fact that some 50 local leagues or centres were represented at Odense, where the Convention spent one day in discussing the business affairs of the movement generally, and met on the next day at the Peasants' High School to hear addresses on a number of subjects.

"In Denmark," Mr. Madsen explained, "one speaks of the 'Georgists' and of 'Georgism', where we would speak of the 'Single Taxers' and the 'Single Tax.' The movement derives much of its political strength from the support of the large class of small peasant proprietors who began to take organized action for the Taxation of Land Values after the Government of the day had, in 1903, imposed the new tax on fixed property that dealt most harshly with those whose improvements were greatest in relation to the value of their land. The small peasant proprietors stand for the Taxation of Land Values and real Free Trade. They do so as landowners, willing to pay rent to the community for their land because they realize how greatly they will benefit, as producers, from the abolition of all taxation on their industry and enterprise. Their slogan is 'equal tax on equal land' and they desire that every landowner, rural or urban, shall be subject to that rule. The widespread acceptance of Henry George's ideas in Denmark is largely due to the agitation that has been maintained among the small peasants ever since the standard was first raised in the eighties by Mr. V. Ullmann, Mr. Jakob E. Lange, Mr. S. Berthelsen and others. The history and advance of the movement is closely associated with the wonderful High Schools established by the peasants themselves. It was in one of these schools that the Odense celebration was held, and there Mr. Jakob E. Lange is the Principal. The students are boarded on the premises. Two sessions are held each year, one in the summer for young women and the other in the winter for young men. The school has a 70 acres farm attached to it where the men receive agricultural training, and the curriculum includes, in addition to such subjects as history, languages and literature, instruction in Political Economy. The principles of Henry George are taught by teachers who themselves are Henry George men, and in many of the schools Henry George's portrait is honoured. About 6,000 students pass through these schools every year, many taking with them an understanding of the great ideals of freedom which we could wish every young man and woman had the chance at least to study.

"All Henry George's works, except the PERPLEXED PHILOSOPHER and the SCIENCE OF POLITICAL ECONOMY, are published in Danish. PROGRESS AND POVERTY was first translated in 1886 into Norwegian, which differs only a little from Danish, by Mr. Ullmann. His version was followed by a slightly abbreviated Danish translation by Mr. Lange, who has also translated THE CONDITION OF LABOUR. Mr. P. Larsen of Ølstykke has translated PROTECTION OR FREE TRADE and SOCIAL PROBLEMS, the latter in collaboration with his son. The movement is richly endowed with explanatory literature in pamphlets and booklets by these and many other able authors. There

is no lack of reading matter on the subject nor in helpful service towards its effective distribution among the people. The most recent of these pamphlets includes one on 'Unemployment' by Mr. Lange, one on 'Land Value Taxation and Land Purchase,' by Mr. Berthelsen, and one on 'The Working of Land Value Taxation in other Countries,' by Abel Brink and Jørgen Pedersen. One must also mention the journal DET FRIE BLAD (the Free Paper) which, issued once a week, is edited by Mrs. Signe Bjørner and is a joint venture on the part of the Henry George Union and other organizations. Since January of this year it has taken the place of Mr. Berthelsen's paper RET and of the fortnightly journal, DEN LIGE VÆR, published for a number of years past by the Henry George Union itself.

"At Odense one saw just such gatherings as might be convened in the name of the Single Tax (or 'Georgism') in this country and heard discussions running on quite parallel lines. A stock-taking of the agitation up to date. How to make further headway. How to increase the number of Henry George adherents and centres so as to hasten the day of victory. The feeling of impatience at the lack of greater results was natural; yet a Single Taxer who looks to Denmark with British eyes may well envy the substantial progress made there. All the political parties, save the Conservatives, are committed to the reform. The rank and file of the Radical Liberals, who recently held power with the Social Democrats, are enthusiastic supporters. Even the Conservative leader said a short time ago that they must concede some measure of local land value taxation—a remark that is in proper tune with the demand made in June last by the Convention of Provincial Towns that the Government must give local authorities power to rate land values. Incidentally, it is instructive to recall the fact that the Provincial Towns get more of their revenue from local income taxation than any other class of local rating authorities and in the Provincial Towns the finances are most in need of a new and better source of revenue.

"One official commission after another has issued reports on the state of agriculture, on housing, on systems of taxation and other subjects related to the land question; and by a majority or minority recommendations, as well as by the accumulated evidence and information in their reports, the argument for our policy has been made as unanswerable as its early inception is inevitable. Not in vain have influential bodies like the City Councils of Copenhagen and Frederiksberg actually promoted Bills for the local Taxation of Land Values.

"But the greatest achievement of all in Denmark, and one which any Georgist on this side may well regard as a triumph for the movement, is the carrying through of the complete valuation of all the land apart from improvements. According to the law as it stands, this valuation must be made once every three years at the same time that the periodic valuation is made of the composite value of land and improvements for the purposes of the fixed property tax. Little new machinery was required for the purpose. Two locally appointed assessors in each district, assisted by an assessor appointed by the Finance Minister, have been regularly engaged on making periodic assessments for the fixed property tax. All that was necessary was to instruct the same officials to ascertain at the same time what was the selling value of the land apart from improvements, according to rules issued by the Central Assessment Board and published by them in book form.

"The first step in the direction of valuing land apart from improvements was made in 1911 when the Government, bending to the agitation for Land Value Taxation, consented to make experimental valuations in certain districts. There followed in 1916 a valuation of land value over the whole country which was also a sort of experiment. Then the Government took a further most important step. Bills were promoted in 1919 for the

abolition of the fixed property tax for both national and local purposes; for a national land value tax of $\frac{1}{2}$ per cent. (approximately 1½d. in the £ of selling value); for compulsory local land value rating in place of the revenue previously derived from the fixed property tax; for optional rating on land value provided that the total land value rate did not exceed 2 per cent. (approximately 5½d. in the £) with corresponding reduction of other taxation; and for additional taxation wherever the next periodic valuation showed an increase in land value—the last-named suggestion for increment taxation, however, was one that any single taxpayer would be bound to criticize. The proposals were not advanced beyond the Bill stage. The Government then in power was recently defeated in a General Election fought mainly on the Slesvig issue; and the present Government, which is Moderate Liberal, has so far failed to introduce legislation on our lines.

"The Valuation, however, remains. Further work in regard to it has not been interfered with nor interrupted. Therein lies the real victory of the Danish Georgists, for with valuation accomplished and generally accepted, the next step is assured. Periodic revision was delayed in 1919 but was effected in 1920, with many imperfections of the 1916 trial valuation removed. Full particulars of results are not yet available. The totals were published in August LAND & LIBERTY, from which one may see that the aggregate assessed selling value of land in Denmark, apart from improvements, was £258,166,000 and that the land value of Copenhagen was £59,333,000.

"It was a matter of much interest to visit the Central Assessment Board or Land Valuation Department (Overskyldraadet) in Copenhagen and to learn something of the work from Mr. K. J. Kristensen, a member of the staff and one of the most able and active among the younger men in the Henry George movement—to be told how certain problems of valuation were tackled; to see the land value maps of Copenhagen and the assessment books; to be supplied with copies of the forms issued to land-owners showing the questions they are obliged to answer, providing information on matters of fact; and to hear how the assessors outside in the country were gradually being educated to their new duties. Here were new principles of valuation, the separation of two elements quite different from one another in nature and origin which anyone, whether or not he believes in the Taxation of Land Values, may accept as correct principles so far as the practice of valuation itself is concerned. That is what the local assessors in Denmark, accustomed in the past to slump together land and improvements in making assessments for the fixed property tax, are discovering more and more; and their appreciation of the distinction between land value and improvements is recruiting quite a volume of official opinion for our reform.

"One other thought struck me in regard to this progress in Denmark. One hears from opponents the admission that while it 'may be possible' to make separate assessments of land value in such countries as Australia, Canada, or the United States, the case is different with an 'old' country like the United Kingdom with its complicated interests and ancient land tenures. There is always a ready enough reply to that argument, but if example is wanted we need not point now merely to the so-called 'new' countries. It is sufficient that in Denmark, a country just as 'old' as the United Kingdom, valuation has been effected and accepted as an understood thing."

Mr. Madsen mentioned some other interesting details of the valuation in Denmark such as the assumption upon which rural land was valued—that it belonged to a moderate sized farm in average good condition; and the provisions made for deducting the value of such improvements as merge in the land, subject to a time limit of 30 years.

The remainder of Mr. Madsen's speech reviewed recent progress in other countries. He said that the Information

Bureau at the United Committee offices continued to receive encouraging news from many parts, and that information had either already appeared in LAND & LIBERTY or he hoped would be published in an early issue. They knew that the rating of land values was in operation in Budapest and in other towns in Hungary, and also that in Spain a beginning had been made in one town. In several of the States in South America much progress had been made, and there as in Denmark the adherents of the movement were known as "Georgists." In Colombo, in Ceylon, the municipality were demanding powers to deal with the land speculators by means of land value taxation, and even in far-away Malay the matter was under discussion in the Federal Assembly. The latest facts about the building boom in New York City, following the exemption of new houses from taxation, were quite remarkable. The particulars showed that in the 30 weeks from 26th February to 17th September of this year the construction of 33,588 dwellings had been begun as compared with 8,588 in the same period last year. That was, he thought, a striking tribute to what was in fact an instalment of the taxation of land values, since in New York vacant land was taxed 2½ per cent. of its value. He quoted three interesting letters received from Town Clerks in the Transvaal where land value rating is in operation, and these official communications testified to the benefits derived from the change. In South Africa our friends who have already done so well were now getting together by forming a League for the whole country.

In conclusion, the speaker said that good news was reaching them from Victoria, Australia, where a really workable Act giving option to local authorities was in force. Men like Mr. Frank Cornwall, of Melbourne, had been throwing their whole energy into the agitation, and now they were hearing how one local authority after another was taking advantage of their option to rate land values and exempt improvements from taxation. Thus when they looked abroad to Denmark, Australia, New Zealand, South Africa, Canada and other countries they might well be inspired with the steady advance being made. The doctrines of their great leader were gathering support every day, and there was more justification than ever for the view he expressed last year in Glasgow that no reform movement had made such headway in latter years as the movement that spoke in the name of Henry George.