

GO AND PRACTISE GEORGISM IN POLITICS

By KNUD THOLSTRUP (Copenhagen, Denmark)

100 years ago, the income tax was something about 2-5%; today it is killing-ly high - up to 80%, more in some cases. Any policy that could have that reduced considerable or abolished would to my mind be so attractive that we could find many more supporters.

In the last 30 years we have seen land value rising much faster than any previous period - in Denmark four times as fast as the consumer price index. Any policy that could prevent land speculation would be met with the greatest interest.

30 years ago, inflation was something about 2-3% (except for extreme cases) in general - today a rate of 10-15% is common. Any policy that could prevent inflation would be met with the greatest interest.

The last 50 years, people have been afraid of the growing Marxism/socialism in two directions - one, social welfare eating up through taxation more and more of the people's earnings, and two, socialization of the means of production ending in dictatorship. Any policy that could secure private ownership of the product of labor and consolidate democracy would be met with the greatest interest.

Let us start with justice in ownership. We all have the same rights to living conditions so long as we do not violate the rights of others. All that a person obtains through work or enterprise belongs to him if he respects other people's ownership of theirs. Whatever values the community creates belong to the community. When a community offers justice, education, communication, etc., the value of land rises. No private persons should be allowed to charge a price for selling these conveniences.

The first step of economic justice is to start the collecting of the rent and use the revenue for reduction of - and then the abolition of - the most unjust and stupid of all taxes - the income tax.

As we Georgists have the only method of abolishing the income tax, it is our best card in our agitation. A practical way would be as follows:

The first year, a 1% levy is to be charged upon the assessed market value of every individual piece of land, rising to 2% the second year, 3% the third, and 4% the fourth year.

The income taxes are to be reduced accordingly by equal amounts on each person, and after four years, the 4% land value tax is registered as a fixed annual levy on each piece of land.

After a new land assessment has taken place (every one or two years), a new 1% levy is charged upon the value of every piece of land, the second year 2% and so forth, using the total amount obtained for a corresponding reduction of every person's income tax, until all income taxes have been abolished, which may be achieved after 15 or 20 years transition (the lowest incomes in 2 or 3 years).

By such a system we will find the real market value of all land and thus the true land rent.

We should never accept LVT without corresponding tax reduction.

(Mr. Tholstrup supports his arguments with data from Denmark and Switzerland, which we hope to present in the next issue. - Ed.)