

## STEPS TOWARDS LAND VALUE TAXATION IN NORWAY

ADDRESS BY MR. S. WIELGOLASKI

Mr. WIELGOLASKI said:

In Norway there are just a few persons officially calling themselves adherents of thorough-going Land Values Taxation, and from those few I bring the Conference the most heartfelt greetings and good wishes.

Of the total area of Norway, 123,000 square miles, 3 per cent. is agricultural land, 25 per cent. woods, 72 per cent. barren mountains. The total area of cultivated land is 1,850,000 acres. There are 226,000 farms and holdings. The average cultivated area is 8 acres. Thirty-five farms have more than 250 acres, 336 have from 125 to 250 acres of cultivated land; about 100,000 have less than 25 acres. Of the peasant farmers 114,000 are owners, 6,800 tenants. Of the small holdings about 24,000 are occupied by labourers working for the owners—the produce being treated as part of their wages.

The small holders have a special organization with 8,000 to 10,000 members and this organization lays it down in its programme as a main principle that the natural resources belong to the community, but the earnings of work and ability to the individual.

In the towns the leasehold system obtains only in some smaller places. The local taxation both in town and country districts is levied partly on income, partly on real property; but the taxation of the real property differs in the country districts and in the towns.

In a statute of 1818 it was laid down as a principle that in the country districts the tax on the real property was to be levied on the unimproved value of the land. It is not known whether this idea was inspired by the teachings of Ricardo or whether it was of Norwegian origin. Of course, we have had land taxes in Norway for centuries before 1818; but in the statute of 1818, there is a proper definition of land value and a specification of the improvements that were not to be included in the valuation. I am sorry to say that the Norwegian Parliament of 1923 seems to understand less of the Taxation of Land Values than did the Parliament of 1818; and I hope you will forgive me the remark that if the British Government in 1909 had sent to Norway for a copy of that old statute, you might perhaps have had a better Land Valuation in this country.

There have been only two valuations for the old land-value tax, and as there has been no revision of the valuation since 1863 so that the relative value of land in most districts has altered very much, this valuation is not now a just basis for the taxation.

In the towns part of the taxation is levied on the capital selling value of sites and buildings. According to the law a tax of not less than two per mille and not more than

officer, indeed, can be seen anywhere. Andorra is the only country in the world that has absolute free trade, and—I shall not object, if, in these two facts, you discover cause and effect—it is the only country in the world, so far as I know, which has been at peace for a thousand years.

All these enclaves exist by no legislation whatever. No one of them has a charter, no one of them any special act, no one of them any subvention from public funds. They operate under the right of private contract. I suppose I am asked the question, oftener than any other, how it is possible to implant, in a region, an enclave of single-tax while all around it in the rest of the region is the old system? It is all very simple. The trustees own the land and hold it for the general advantage. They let the land to lessees for the period of ninety-nine years. Each lessee owns his own house and other improvements, including trees, tillage, and all constructions on, in or under, the ground. Indeed, his ownership is so complete that nothing remains to the trustees except the bare site. Then comes the contract. The lessee agrees to pay the economic rent, which is revised as often as necessary, usually once a year. The trustees, on the other hand, agree to use the economic rent for the payment of taxes. Is this not plain, and is it not a case of simple contract?

But, now, do these enclaves in fact produce the effects of single-tax? And here, as I have said before, I must admit that we do not pay all the taxes. We do not pay the tariff-tax where there is one, a great omission. Of course, there is none in Andorra. We do not pay the stamp-taxes on notes and the registration of real estate. We do not pay the tax on amusements.

But I suppose there is no one in this hall, who would not recognize it as a noteworthy fiscal reform, if he could persuade his country to untax all improvements. That we do. I do not say it is single-tax, for it is not, but that it is a great fiscal reform.

Then I do not suppose that any single-taxer would not consider it a much greater achievement, if he could persuade his country to collect all the economic rent. That we do also. And we do not wait to collect it, we collect it at once. That would be recognized as almost the whole of single-tax.

But we go further. We pay the school-tax. We pay the tax on all tangible property, including livestock and equipment, located within the enclave. In general we pay the poll-tax, and, in Tahanto at least, we pay half the income-tax levied by the state of Massachusetts, on the one hand, and the federal Government at Washington on the other.

Is it difficult to found an enclave? Not at all. It does not require a great corporation, as in the case of the garden-city of Letchworth. All the enclaves were small when they began. Listen to the figures: Fairhope began with 135 acres; Arden with 165; Ardentown, 110; Free Acres, 65; Tahanto, three-quarters of an acre; Shakerton, seven; Halidon, 120; and Sant Jordi, two and a-half. That makes

600 acres in all, but they contained the principle of growth, and to-day they are 5,000 acres. Thus to form an enclave does not even require a strong, financial group. Even one man suffices.

My friend, Bolton Hall, speaks after me on the topic : " I am only one man." But, fearing lest his modesty may prevent him from describing what, in my opinion, is one of the best things which he, as only one man, ever did, I am going to say that, at one time, he conceived the idea of serving single-tax, and also of doing a good turn by himself, and, having property in New Jersey, about 30 miles from New York, he made a gift of a part to the enclave of Free Acres, with the idea that the increase in the value of the rest of his property, due to the coming of population, would leave him as rich as before, notwithstanding his gift. Thirteen years have passed, and he now declares that experience has confirmed his anticipations.

Now for the financial aspect. As single-taxers, I think you all recognize that single-tax not only makes a man free and happier, but it also makes him more prosperous. That additional prosperity puts more funds into the treasury, and we find that, with our revenue, we can do three things. In the first place, we can pay the taxes. In the second place, we can pay interest and amortization on the purchase-price of whatever land does not come by gift. In the third place, we have money remaining with which to improve the property to a degree much greater than it would have been improved by public funds, had it remained under the old system. Some of the land came by gift, chiefly from Mr. Fels, of honoured memory.

The monopolists of scripture were said to lay field to field until they dwelt alone in the land, and my plan is to lay field to field until the system of single-tax shall remain alone in the land.

#### A BOOK ON THE ENCLAVES

Fairhope, Arden, Tahanto, etc., are faithfully dealt with in a special book entitled ENCLAVES OF SINGLE TAX OR ECONOMIC RENT, by C. W. Huntington. Mr. Warren brought a number of copies of this book with him to Oxford and placed them on the literature stall where they were sold at the specially reduced price of 2s. each. Copies at the same price can be had on application at our offices.