

Henry George News

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Some 75 Georgists representing 15 countries met in the historic town of Roskilde, 45 minutes west of Copenhagen, to discuss ideas and recount actions taken toward universally legislating the reform described by the title of this conference: "The Missing Clause in the Bill of Rights: Land for the People"

Part I

by George Collins

Roskilde seemed the appropriate venue for this meeting in Denmark. A royal city and resting place of ancient kings, it celebrates its millennium in 1998. The Danish Constitution of 1849 was written here, and it was a stronghold of the Justice Party, which enacted far-reaching land value tax legislation as part of a coalition government in the 1950s. Today it is a charming city of 52,000 people, home to universities and research centers, and the site of many conferences.



IU President
Godfrey Dunkley

The Georgists first gathered for a pleasant reception at the conference site, the Scandic Hotel, on Saturday evening and then visited one of Copenhagen's major attractions, the world famous Tivoli Gardens. On Sunday morning we saw some of the rich history of Roskilde at visits to a Danish church, where the service was conducted in English in honor of our presence, and to the centuries-old cathedral where the nation's Kings lie in repose.

Ole Lefmann opened the conference on Sunday afternoon on behalf of the Danish Henry George Society with a general welcome to the delegates. Bjorn Dahl, Deputy Mayor of Roskilde, extended the official welcome of the city and paid due respect to the Georgist history in Roskilde, stronghold of the Justice Party.

Five parties are represented on the 25-member City Council. The Mayor is a Social Democrat, and the Deputy Mayor is a member of the Liberal Party. Neither subscribe to the tenets of rent as public revenue to the exclusion of other taxes on wages and interest — although taxation currently eats up 67% of individual income.

However, the residue of the land tax still has some weight and obvious effect on the economy and the society. Taxes on land in Roskilde support three levels of government. A rate of 3.05% is levied for the city; 1% supports the region (county) and 2.35% goes to the federal government. This 6.4% levy is applied to full value assessment. The rates are lower in farming areas.

In addition, the annual land value increase on each parcel is taxed as imputed income to the titleholder in the administration of the national income tax. Although land speculation is not eliminated, this level of rent collection obviously *(continued on page four)*

1995 International Conference in Denmark: "The Missing Clause in the Bill of Rights"

dampens it — contributing considerably, I would think, to the beneficial economic climate often described as the Scandinavian model welfare state.

Small-town Roskilde and big-city Copenhagen (480,000 pop.) exhibit old world charm with an abundance of well-maintained buildings dating back to the last century and before. No wholesale demolition for replacement by skyscrapers is in evidence, a phenomenon that would surely have accompanied spiraling land prices in the decades of economic growth that preceded the current slowdown. But costs are high and a great deal of housing has to be provided by the government. New social housing will rent for 6,000 Krone per month (\$1,138 at the current exchange rate).

The first speaker was Ib Christensen, former Member of the Danish Parliament, Chairman of the Justice Party, 1968-79 and 1982-83, and Member of the European Parliament, 1984-94. In his "Global Perspective," Mr. Christensen was unequivocal in his assertion that Georgist principles are more important than ever. "The effects of the denial of these essential requirements for freedom and justice can be seen from the crippled infrastructure of megacities to the depletion of the rain forest." Capitalism is offered as a prescription for the social ills of post-communist nations, but what is seen is "unemployment, unproductive speculation, enormous social disparity and waste of resources wherever we look." What about the welfare state, the so-called Scandinavian model? It can, said Mr. Christensen, avoid great disparities with social services and large-scale income transfers. But it is expensive, inefficient and unhealthy. In Denmark, "more than one million people out of five million inhabitants are dependent on public income transfers, without being pensioners or public servants."

Hope may be found in the fact that everyone in political circles now agrees that the resources of nature are limited and that taxation may be used to limit their abuse. Yet Mr. Christensen still finds it hard to comprehend why even they fail to see that the land on which we all live is unreproducible and should be similarly taxed.

Jacques Delors, former President of the European Commission, wrote in his so-called Green Book that "one could consider measures against speculation in real estate and land and also against speculation in exchange rates." But, the Council of Ministers in the European Union rejected his ideas. Political implementation is required, Mr. Christensen said. Our views will prevail only if we can threaten a resisting politician.



Bente and Per Möller Andersen

Success will not come from persuading politicians but from persuading those who elect politicians. To do so, and to win elections, we must convince the people that our ideas will help to improve their lives.

With an introduction from Per Möller Andersen, the seemingly inexhaustible organizer of the conference, Godfrey Dunkley of South Africa, President of the International Union, delivered his welcoming address on Monday morning. He described the policy of Apartheid as an "idiology." Among the miracles that have occurred in our time have been the ending of that practice, free and peaceful South African elections that elected a black man president, and the end of the East-West confrontation. Georgists are custodians of a valuable principle, and although it may seem remote now, with unity and rationality in our presentations, the world will yet experience another miracle.

Jan Pott, our elder statesman from Holland who announced that this would be his last conference, delivered a paper which specified the conference theme: "The land to those who pay the market rent to the common treasury." The rent of land is created by the people. They own



Ib Christensen

that value and it should be shared out to them after public needs have been met. Mr. Pott declared that to best redirect the rent to the public treasury, it should be taken all at once, not in gradual steps.

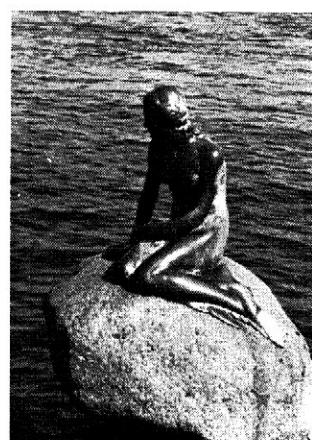
Although the American Declaration of Independence has come to convey the high ideals of rights and liberty, it did not evoke those sentiments with such force when originally written, according to Stan Rubenstein, High School Program Director at the New York HGS. He makes the case that the ringing anthem, "We hold these truths to be self-evident..." was not the most important to the revolutionaries. It was the emotion-packed and practical-minded recitation of grievances against the King, calculated to win the support of Spain and France, that garnered most attention. The unsettled philosophical concepts of natural law and natural rights were not galvanizing. Nevertheless, the Declaration stands as an eloquent and noble expression of the common humanity of all people.

Richard Noyes, former IU President and member of the New Hampshire Legislature, commenting on his paper "Property Rights: a Common-Sensism," said, "As an IU member I think globally. As a New Hampshire legislator I act locally." People's concerns are summed up in the phrase, "I own what's my own." The theft of personal property is at the very crux of the issue. Taxes on labor and capital are destroying our western society. New Hampshire, he said, is the most nearly Georgist state in the US because labor and capital are taxed more lightly than in any other — and, consequently, more revenue is derived from land values. His continuing challenge is to move his colleagues toward the new common-sensism that land is a public good and its rent is common property.

From Norway, Even Lorch-Falek brought us the counsel that for the sake of our future man must take his place in the ecology of life. With economic advance producing social, spiritual and ecological destruction, we must liberate ourselves from false internal and external values. An important start is to understand money as only a symbol for real things, not a product in itself. Cash sums must be made to stand in relation to production and be written off in accordance with consumption.

Time was taken for committee, executive and general members meetings of the International Union. At the general meeting the members stood in silent memory of former President, the late Bob Clancy of New York. (Later, a memorial was held, at which many, many fond and even funny reminiscences were shared.) The organization, presided over by Godfrey Dunkley, decided to continue its current UN Non-Governmental Organization affiliation. The official representative, Pat Aller of New York, will continue in that capacity until January 1996. The next IU conference will be held in Brighton, England in July, 1997. Russia has been suggested for the year 2000; Korea has asked to be considered as well. The meeting approved a vote of thanks to Lindy Davies for assuming the editorship of the *Georgist Journal* following the loss of Bob Clancy.

The Danish Henry George Society maintained a booth and presented lectures at the UN NGO parallel conference on social development that was held in Denmark in April. Hundreds of people stopped at the booth during the ten days of the conference, and much literature was given out. Ron Banks, Chairman of the newly-formed Land Policy Council in England, delivered two lectures to large, interested audiences.



George Collins and Jan Pott

At the committee meeting, Jan Pott submitted his report and recommendation and a voluminous set of correspondence accumulated as chairman of the committee appointed to consider a change of name for the International Union for Land Value Taxation and Free Trade. A wide variety of suggestions for new names was received and Mr. Pott made a strong appeal for change. But in the end, the vote was to retain the name.



Tamara Chistyakova
and Tatyana Roskosnaya

Tamara Chistyakova and Tatyana Roskosnaya, founders of ECOGRAD in St. Petersburg, Russia have led a determined effort over the last three years to convince the Russian Government to base its emerging market economy on collection of land rent as public revenue with elimination of taxes on labor and capital. Substantial progress has been made at both national and local levels. Positive results for rental

based revenue were obtained from a study conducted by ECOGRAD, in conjunction with the Ministry of Construction.

The study was carried out with the assistance of a team of Georgist experts, from Britain, the US and elsewhere, assembled by Fred Harrison. Its results have been included in legal documents dictating the functions, rights and duties dictated by a switch to land rent at the various levels of administration. At the national level, Fred Harrison and his team have been invited (along with the IMF and other experts) to participate in the group commissioned by the central government to draft the laws which will govern land relations in the free market economy.

Novgorod, one of the cities included in the study, has taken the necessary steps to obtain national government permission to make the switch to a land tax. Chief among them was the method of determining land rent in the absence of a land market. What has been devised is a system called the "site-rating charge," based on the zoned valuations already existing in Russia. Starting with the most desirable locations, adjustments were made to fix the relative value of every other land site. Estimations were made for more than 1,000 registered land users. The Mayor of Novgorod, Alexander Korsunov, stated his personal conviction that the only hope for a successful transition to a market economy is a land-based tax appropriately adapted to Russian conditions.



Alexander Korsunov

The Honorable Alhaji Shaibu Itimu, Minister of Lands and Valuation in the East Central African country of Malawi, delivered a spirited and encouraging outline of the Land Policy Review and Reform Program he proposes to initiate. Minister Itimu and his Chief Administrator, Davis Kachimanga came to the conference at the invitation of IU President Godfrey Dunkley. They had been delighted to find in his book, *That All May Live*, a prediction that their reform efforts had already confirmed: when increased taxes are proposed on their holdings, some large landholders will offer to give up land they were not using.

Originally, all land in Malawi was communally owned with the right of use for a family or individual granted by the Chief or Village Headman. But this right of use still permitted others to gather firewood, pick the products of wild growing trees or even graze livestock on what was left after a crop was harvested. The British arrived in the 1880s, acquiring lands in exchange for gifts and claiming them in freehold. Orders-in-Council proclaimed by the British extinguished customary claims over unoccupied land, issuing it on leasehold or freehold terms. Headmen and Chiefs subsequently took up the practice of granting exceedingly favorable leasehold and freehold concessions. The three classifications that emerged were crown lands, now regarded as Public land, claimed land, now Private land and Native Trusteeship land, now classified as Customary land.

Freehold private land constitutes a small percentage of the total, but it is concentrated largely in the most densely populated regions—and pays no taxes. A considerable amount of Customary land has been converted to leasehold, greatly expanding the number of large estates devoted to tobacco production. But on these estates, no more than one-fifth of the land is in use, and "tenant workers live and work under appalling conditions." The resulting land shortage had produced a problem of encroachment by the landless, called "land invasion," on all three categories of land.

The challenge faced by Minister Itimu and the new democratically elected government, the successor to decades of one-man rule, is to relieve the poverty and land hunger without abridging tenure rights which underlay investment and economic growth, or becoming so politically vulnerable that its nascent democracy is threatened. Minister Itimu and Davis Kachimanga came to the conference to learn more about the Georgist philosophy and practical requirements for implementing its remedy. But the government has already put forth eight major points for consideration in the development of a new land policy. They include proposals to increase land rent to encourage greater land utilization, induce leaseholders to give up land for redistribution, and encourage development of idle lands, especially those with absent landlords.

The midconference tour of Danish castles in Copenhagen revealed more of the grand and brutal past that formed the historical treasures of today. Among the places we visited was Elsinore Castle of Hamlet's fame.

Two special guests at the midconference banquet were Mrs. Viggo Starcke, the widow of the late Parliamentary head of the Justice Party and herself a former Member of Parliament, and Mrs. Knud Tholstrup, widow of the industrialist and leading Danish Georgist. Delightful after-dinner entertainment was provided by a Danish folkdancing troupe. Impromptu musical renditions were coaxed from Tamara Chistyakova, Russia, and Norman Slater, England, in a duet. Toni McDonald of Australia played the violin, and George Collins sang.

Ian Lambert of Grand Cayman put forward the provocative theory that real tyranny is masquerading under the facade of "rights-speak." Rights are supposed to be a bulwark against the state's encroachment on individual freedom, not a prescription for individual conduct. Today, rights are most often evoked in the attempt to correct wrongs. To do so, the state must impose duties on others. The right to a job, to decent housing, health care, welfare subsidies and the rest of a long litany that could be cited are justifications for taking from some and giving to others.

Socialism asserted these "rights" as a reaction to capitalism, but they began in the declaration of, and defense against, fundamental wrongs. "I am the law," says the putative King, "and all this territory belongs to me." There is no natural justification for this. The doctrine of "the divine right of kings" is an attempt to create such a natural justification — to create a vested right in an obvious wrong. Such claims require force to impose and positive law to enforce. "When talk of rights arises it is usually the assertion of landowners who want to keep the privilege of landownership without the burdens of service." Such was the origin, Mr. Lambert asserted, of the English Magna Carta. Similarly, the US Constitution and Bill of Rights was "an assertion by...the beneficiaries of expropriated land, that never was and never can be theirs, that all they want is 'to be left in peace.'"

Lambert concludes that there are only freedoms, duties and privileges. Freedoms do not have to be enacted or enforced — only recognized. Positive duties are obligations voluntarily undertaken, and negative duties simply consist in refraining from doing harm to others. Privileges are "the imposition of duties not voluntarily consented to and are therefore an injustice." *(To be continued in our next issue.)*



Hon. Alhaji Shaibu Itimu