

various avenues of approach adopted by proponents of Henry George's ideas advocated under the auspices of organisations formed especially for the purpose. Among these were the Canadian Research Committee on Taxation, the Henry George Foundation, the Erie Land Tax Association, the Robert Schalkenbach Foundation and the Statewide Homeowners Association of California.

The programme also included two visits to the Henry George School in New York. A graduation ceremony was a most encouraging event, presenting as it did the views of recently graduated students on the course or courses they had taken. On the final Sunday there was a buffet supper and evening programme at the School.

It was an exhausting Conference. The temperature was

often in the nineties and but for the iced water and air-conditioning the Conference might not have proceeded!

The Conference ended with a visit to the New Jersey Henry George School and a picnic at Forest Lodge in New Jersey. Here, over a transistor radio, picnickers heard a representative of the Columbia Broadcasting System present his recording of an interview with Joseph Thompson, President of the International Union, and V. H. Blundell, one of its Joint Secretaries. Both acquitted themselves well in what was an unrehearsed and unprepared-for interview at the hotel on the ideas and aims of the Henry George Schools and the International Union.

The verdict of many: the best conference yet!

## The Conference Papers

**A** PAPER entitled "Agitation for Land Reform in Great Britain" was read by Mr. V. H. Blundell, Joint Secretary of the International Union, and Secretary of the United Committee for the Taxation of Land Values (Great Britain).

Outlining the various demands for land reform, including those from left-wing socialists who propose land nationalisation and those from the Liberal Party, which is in favour of site-value rating, Mr. Blundell compared the various proposals inside and outside political parties with those of the Georgeists.

Although land taxation has aroused a great deal of interest in Britain, Mr. Blundell told the Conference, the whole problem of land values is not fully understood. It is the high land prices, the extent of land speculation and the "windfalls" accruing to private persons when planning permission is granted that make the headlines.

But currently there is much more genuine concern among building societies, rate-payers associations, homeowners associations, town planners, local authorities, architects, builders and in fact among all those who suffer from the effects of land monopoly and the private appropriation of economic rent.

Looking back into the past, Mr. Blundell spoke of the opportunity the Labour Party had when it came to power in 1945 to re-introduce the repealed provisions of the Labour Finance Act of 1931 which embodied the taxation of land values. But this opportunity was thrown aside. Instead, in an attempt to collect "betterment," the 1947 Town and Country Planning Act, with its notorious Development Charges, was passed. This, of course, was a failure and the Conservatives lost little time in abolishing the Development Charges when they returned to power in 1951, although they left the network of town planning regulations contained in the Act.

Meanwhile, although Liberals had only a small voice, a pressure group of Georgeists in the Liberal Party — the Liberal Liberty League — gave warnings against

Keynesian solutions to economic problems. The League was disaffiliated from the Party and it seemed that everywhere Georgeist proposals were falling on deaf ears.

By 1959 the scene had changed. People were growing impatient with the lack of good housing, the slums, the soaring price of land. These scandals made news, as also did the dissatisfaction with the system of raising local revenue. Even site-value rating was being commonly discussed as a possible substitute.

Under the leadership of Mr. Peter Stubbings the Rating Reform Campaign was launched and is still keeping up steady propaganda to educate local councillors in the importance of rating reform. Recently, the Whitstable Report, described as "political dynamite," produced gratifying results. All M.P.s, all local authorities and all newspapers plus a great many trade, professional and political journals, were circulated by the United Committee. Soon, councillors, architects, valuers, town clerks etc. were asking for more information; and by this time the Liberal Party had at last adopted site-value rating as official party policy.

Mr. Blundell concluded by saying that it must be made quite clear that what is required is not merely a tax on land values when permission to develop has been given, but a tax on *all* land values.

The United Committee will continue to educate and to agitate for land reform along these lines.

**A** FULL EXPLANATION of the importance of the Whitstable Report was given by Mr. V. G. Saldji, Joint Secretary of the International Union.

His talk, entitled "The Whitstable Land Value Survey," began with a description of the location of Whitstable Urban District, chosen by the Rating and Valuation Association for its pilot survey.

This big task, which involved the assessing of the annual land value of each separate site in the area, enabled a comparison to be made with the assessments on which

local rates are at present based. These results, Mr. Saldji pointed out, enabled the Association to judge the probable effects of changing over to the site-value rating method throughout the country.

Arguments for site-value rating based on justice should be more widely appreciated, Mr. Saldji said. The Rating and Valuation Association had not entered into any arguments, but had simply presented the Report based on the findings, which remains now to speak for itself.

Mr. Saldji went on to deal with the misconceptions about land values prevailing in Britain today, and the widespread and false idea that site-value rating had been tried before and had failed.

In June 1963 Mr. Saldji himself had spent a period in Whitstable as a field-worker, and he described his experiences to the Conference. After measuring up sites and calculating values, he learned, when the valuation was published, that as against the present rateable value of £724,100, the land-value total was £642,250. To collect the same revenue, therefore, the rate in the pound to be levied under both systems would be of the same order, but under site-value rating there would be a vastly different incidence of the rate.

Interesting illustrations of these differences were given, showing that under site-value rating residential property as a group would account for less than 50 per cent of the total rateable value instead of the present 75 per cent.

Individual examples of the changes of incidence were quite startling and left one in no doubt that the present out-dated system discourages the development of property while encouraging land speculation.

The British Isles, Mr. Saldji told the Conference, has thousands of acres of unused or poorly used land. Agricultural land is becoming too expensive for any but the most prosperous newcomers to be able to start up in farming. One reason is that farm land is not rated; only farm houses are assessed for rates. Many acres of fertile land have been acquired by speculators who gamble on planning permission being given in the future, while during the interval there are, of course, no rates to pay.

Quoting from Mr. Mark Wilks's report, Mr. Saldji made it clear that in the valuer's opinion the field work involved in valuing sites only is much less than in valuing sites plus improvements. And when buildings are altered in any way, no alteration takes place in site value.

In conclusion, Mr. Saldji reminded his audience that the next objective was a pilot survey of a whole county, leading to a survey of the whole of Britain.

**T**HE former Chief of the Valuation Department of the Directorate of Assessments in Denmark, Mr. K. J. Kristensen, read a paper entitled "Land Valuation and Land-Value Taxation in Denmark."

This remarkable and very thorough exposition of the tax system carried out in a small, prosperous country, leaves one with the impression that every Dane in the Kingdom has long been fascinated by the idea of taxing land values. Clearly Mr. Kristensen himself must be among the few experts on this subject who is able to

sustain interest in the mechanics of the system for so long.

His paper sets out, as if for student valuers, exactly how land is valued over the whole country, the different rates of tax and how these are applied. The administration, the election of town and parish council valuers, the preparation of valuation maps, and indeed the whole democratic organisation behind what appears to be a fine art handled expertly by a great number of local valuation committees, is all carefully recorded and described.

Some 4,000 valuers are engaged at each periodic valuation. Each man has his private business and assists with the national valuation virtually in an honorary capacity. The 1960 valuation comprised some 984,000 properties.

By law every sub-division of land has to be approved, and registered in the official Land Register which is accessible to the public. Every land transaction therefore is made public knowledge.

The Central Board of Assessments sees to it that valuations covering the different counties and towns are in harmony, and that the valuation over the whole country is consistent. In the towns "street values" are carefully established, after which the value of every single parcel of land is assessed with reference to the special conditions attaching to any individual property.

For country districts the land value per hectare of each piece of land is shown.

When the valuation is completed the land-value maps are open to public inspection and owners have the right to object to or appeal against their own assessment or those of others.

Mr. Kristensen then considered a set of typical valuation results made in 1960 and pointed out several interesting facts.

Denmark has long enjoyed the benefits of a tax system based on land values. An assessment (of agricultural land) was made as early as the twelfth century, or even before. Assessments were revised at long intervals, for example in 1688 and again at the beginning of the nineteenth century. It was replaced by a modern land valuation in the 1920s.

The history of the taxation of land values as it has been practised in Denmark is of almost as much concern to Mr. Kristensen as the mechanics of the system and how it is made to serve the country today, and he gave an excellent account of how the state property tax developed into the present system. The Law of 1922 split this state property tax into two. Up to that year it had been levied on the composite value of land and improvements taken together. Thereafter one tax was laid on land value at the rate of 1.5 per mille, and another tax was laid on the value of improvements at three-fourths of that rate. From that time on there were refinements which lifted the bulk of taxation off improvements and placed it on land values instead.

In 1937 the state tax on land values was raised from 1.5 to 6 per mille and the tax on improvement values from 1.1 to 4.5 per mille. More refinements were added

after the war and more tax reliefs for improvements were granted. It is intended that the total rate of tax should be fixed and that the taxation of buildings and improvements be gradually reduced and finally abolished during a period of forty years.

**A** PAPER that goes a long way towards explaining why land tax exemptions are unsound was read by Robert Tideman, Executive Secretary of the Henry George School in Northern California.

In his paper, "Land Tax Exemptions," Mr. Tideman pointed out that assessment practices, tax enforcement procedures, centralised controls and aids can all affect the collection of land rent. In order to improve the public revenue system it is as well to be familiar with all such avenues of advance.

Abolition of the special tax exemptions enjoyed by certain private land holders would be one line of advance, even when the exemptions are given to "non-profit" or "welfare" organisations which perform "public" services. Mr. Tideman suggested that there is a better way to support welfare organisations and that a direct subsidy would be more manageable than tax exemption because the exact sum is known and would be subject to annual reconsideration. The exemption of land from taxation, Mr. Tideman said, is not seen for what it is—the denial of a common right.

In considering land speculation, it was pointed out that exempt interests are placed in a favourable position to speculate in land values because they are not subject even to the small taxes other land speculators must pay. Many welfare organisations who could and should move out of crowded central areas postpone the move in anticipation of getting a higher price later. Were they subject to land tax they would use the land to better purpose or surrender it to someone who could. Some welfare bodies, possibly more useful than others that own their land, may be non-landholding tenants and therefore incapable of benefiting from tax exemption.

Special privilege and regulations seem to go together said Mr. Tideman, so there is invariably much red tape and paper work involved in land-tax exemptions. The rent fund is no longer administered by delegated representatives, but by a select aristocracy. Mr. Tideman showed a straight choice between representative government and unequal rights to land. There is, he said, no third position.

**IT HAS BEEN SAID** that Denmark has advanced further than most other countries in the understanding of the principles set down by Henry George. In his paper "The Georgeist Situation in Denmark," Mr. J. H. Kristensen (son of Mr. K. J. Kristensen) made this very clear. He also brought up to date developments in Denmark since Dr. Viggo Starcke presented his paper ("The Danish Government") at the Tenth International Conference in 1959.

Before 1957 the Justice Party (a political party of Danish Georgeists) had only six seats in the one-chamber

parliament of 179 seats. At the election of May 1957, they gained three more seats. Three political parties (all supporters of land-value taxation), the Justice Party, the Social Democrats and the Radicals, were able to form a majority coalition government, the first Land-Tax Government in history.

There were several important results from this arrangement. First, many restrictions on trade were removed and import licences were made more freely available.

Another important result was that land-value increment taxation was increased.

However, in the election of November, 1960 the Justice Party failed to gain enough votes to win a single seat in the new Parliament, and a government was formed by the Social Democrats and the Radicals.

There were two major events during the life of this parliament concerning land policy. Four bills were put through parliament: a) a bill regarding the acquisition of agricultural property, b) a bill regarding the establishment of small-holdings, c) a bill to give local authorities the right of pre-emption in cases of sale of real estate, d) a bill on the preservation of recreational areas and land of historic interest.

The Danish Henry George Society pointed out that the proposed land laws were inadequate and difficult to administer, and when the Opposition forced a referendum on the issue, all four bills were rejected by a considerable majority. In the panic that followed, the four-yearly revaluation of land, due for September 1964, was postponed for one year.

Let us remember, said Mr. Kristensen, the widespread need for education in this field, not merely in Denmark but in the underdeveloped countries that generally are underdeveloped because their people are strangled by land monopolies.

Conference papers and reports to be reviewed in our next issue are: Land Reform in Hawaii (Miss V. G. Peterson), The German Building Land Tax (Gustav Bohnsack), Land Development and Taxation in a Central Commercial Zone (Frank Wiles) and Reports from New Zealand (Dr. Rolland O'Regan), Australia (E. P. Middleton), Italy (Dr. N. Pulvirenti), Austria (Philipp Knab).

Conference papers are available from the International Union Headquarters, 177, Vauxhall Bridge Road, London, S.W.1, England, at five shillings per set plus one shilling postage, or sixpence for individual papers, postage three-pence.

Notes gathered at the Conference were voluminous, and a detailed report of all that was said and discussed, including the interesting accounts of individual and group activities in many parts of the world and an account of the impact of many vivid personalities at the Conference would take up far more space than could possibly be allocated to it.

In writing up these notes much that has been left out has been fortuitous rather than intentional!