

A PRACTICAL PROPOSAL

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Our problem is to successively transfer the capitalised land value as income in the owner's possession to the community by yearly ground rent payments. I am referring to the already established land value, most of which has been mortgaged, and therefore only ought to be transferred to the community gradually, as shown in the following table:-

Period in Years	Transfer to community	Royalty (%)	Land rent in owner's possession
1	100	10	900
2	200	20	800
3	300	30	700
4	400	40	600
5	500	50	500
10	1000	100	0

I propose to stop the rise in land values as income in the owner's possession by tax periods every five years for valuing the land for royalty payment to the community.

Where taxing land values has been practised, it has unfortunately been usually as a tax on income from land while it remains in the owner's possession for sale and mortgage, and therefore I see "royalty" as a more specific and clear name than "tax" for the transfer of land values to the community.

See as an example Denmark, where maps and statistics on the rise in land values have been prepared showing the total sales value of Danish land to be 17 billion crowns in 1960. The Danish Retsforbund (Justice Party) at that time succeeded in getting a law enacted that the rise in land value above this level shall belong to the community and be taxed as ground rent. But since then the law was stopped and never put into action. Now it is reported that by 1970 the sales value of Danish land rose 50 billions, to 67 billion crowns.

If the law had stood and the increment was taxed as royalty, at this time 50 billion crowns, or about three-fourths of total Danish land values, would have been transferred to the community. Then there could not be speculation in the capitalised ground rent as sales value. As it is, the mortgaging of this increase gives rise to an enormous purchasing power which can only be financed by billions of paper money, this being the chief cause of the inflation problem which experts have been trying in vain to solve.

Here is an important matter to debate and to give to the world understanding of our means of solving the economic problem. But time is short before a new economic crisis will cause the outbreak of a Marxist revolution as the only way out that people can see.