

INTERNATIONAL NEWS

INTERNATIONAL UNION FOR LAND VALUE TAXATION AND FREE TRADE: President, Hon. Charles O'Connor Hennessy; Treasurer, Ashley Mitchell; General Secretary, John Paul; Assistant General Secretary, A. W. Madsen, 11, Tothill Street, London, S.W.1.

A meeting of the International Union Executive was held at 11, Tothill Street, London, on Friday, 31st October. Mr Charles E. Crompton, Chairman of the Executive, presided over an attendance of twenty members and deputies, the latter appointed to act for members unable to be present in person. The countries represented were England, Scotland, U.S.A., Canada, Australia, New Zealand, Denmark, Germany, Spain, France, Belgium, Hungary, Austria and Greece.

After transaction of the business as undernoted, the meeting resolved upon two declarations as here set forth, one for issue to the Press and the other to be conveyed as a message to all members and friends of the Union:—

I—RESOLVED THAT

"This Meeting of the Executive of the International Union for Land Value Taxation and Free Trade, held at 11, Tothill Street, Westminster, 31st October, 1930, and at which fourteen countries are represented, affirms its unflinching adherence to the principle of Free Trade, and would emphasize that the full expression of Free Trade requires the removal of all taxes that now fall upon exchange, production, buildings and improvements.

"We condemn all proposals that would place further burdens upon production and exchange, whether by the insidious method of a tariff or by repressive direct taxation of industry.

"We welcome the statement in the King's Speech to the effect that the British Government proposes to introduce legislation to secure for the community its share in the site value of land.

"We affirm that the value of land due wholly to the presence, growth and efforts of the community is the proper and natural source of public revenue.

"And holding to the principle of Free Trade, freedom to produce as well as freedom of exchange, we urge the Taxation of Land Values as an instrument to free industry and enterprise from the fetters of monopoly, promote the best use of land and open up new opportunities to trade and employment."

II—RESOLVED THAT

"This Meeting of the Executive of the International Union for Land Value Taxation and Free Trade, held at 11, Tothill Street, London, on 31st October, 1930, and at which fourteen countries are represented, sends greetings to all members and friends of the Union and would earnestly direct their attention to the situation in Great Britain.

"At our Edinburgh Conference the hope and expectation was that the Budget for the year would provide legislation for the Taxation of Land Values.

"In deciding first to proceed with a Land Valuation Bill the Chancellor of the Exchequer decided to take a different and, in his opinion, a speedier course. The Bill is now in circulation, and in the King's Speech at the opening of Parliament, 28th October, the announcement was made that the Government proposes this Session 'to introduce legislation to secure for the community its share in the site value of land.'

"Since the appearance of the Land Valuation Bill the forces of reaction here in Great Britain have been organized with the avowed object of defeating the legislation the Bill speaks for, and now it is clear that Tariffs *versus* Free Trade will be the dominant issue at the coming General Election.

"Great Britain, as all the world knows, is the recognized citadel of Free Trade. The prevailing unemployment has given the reactionary interests their chance and they are making the most of it. The cause of Free Trade is

being menaced to-day as never before.

"The International Union for Land Value Taxation and Free Trade must have its eyes upon this critical situation, knowing that any ground lost in Great Britain would have the gravest consequences for the cause of freedom and progress in every other country.

"In these circumstances, and in the light of the position in general as revealed in *Land & Liberty* each month, we feel it our duty to urge upon members and friends, wherever they may be placed, seriously to consider both the opportunity and the responsibility with which the United Committee for the Taxation of Land Values are faced.

"This is an occasion for special effort and personal sacrifice. It is our emphatic opinion that the United Committee ought to have the strongest possible financial support in their efforts to meet the challenge both as regards Land Value Taxation and as regards Free Trade, the like of which has not been experienced in the political history of our movement.

"We therefore unanimously resolve that in this emergency the officers of the Union be advised to bring these matters before you, and to make an appeal for special donations in support of the educational propaganda in Great Britain at this time."

Letters conveying greetings were read from a number of overseas members, including the President, the Hon. Charles O'Connor Hennessy. In this correspondence various suggestions were made bearing on the future activities of the Union and discussing the place and time for the holding of the next International Conference.

The minutes of the meeting held in Edinburgh on 4th August, 1929, were read and approved. The Chairman announced that in terms of the Resolution then passed a Finance Committee had been constituted of which the members were Messrs Ashley Mitchell (Treasurer), John Paul and A. W. Madsen (Secretaries) and L. P. Jacobs, W. R. Lester, P. Wilson Raffan, C. H. Smithson and the Chairman himself. The Finance Committee had met that morning and considered the accounts for the year 1929 and the position as at date.

The summary of the financial statements is as follows: General Revenue Account for 1929 showed income £688 16s. 10d., and expenditure £420 3s. 11d. The separate Revenue Account of the Edinburgh International Conference showed income £933 6s. 9d. and expenditure £1,295 19s. 4d. The Final Balance Sheet as on 31st December, 1929, certified by the auditors, incorporated the balances from the two Revenue Accounts above named and showed a surplus of £4 13s. 6d., being the difference between the cash in hand and the accounts payable on that date. The General Revenue Account for the period 1st January to 31st October, 1930, showed income £283 6s. 4d. and expenditure £242 10s. 5d., leaving a balance of £45 9s. 5d. cash in hand.

These statements, adopted by the Finance Committee, were approved by the Executive.

Following the minute of the meeting on 4th August, 1929, respecting payment by the Union to the United Committee on account of office rent, clerical services and maintenance of *Land & Liberty*, it was unanimously resolved that "This meeting puts it on record that the International Union should contribute out of its funds a minimum of £400 annually towards office establishment expenses and towards the *Land & Liberty* Sustention Fund."

The secretarial report reviewed the activities and progress of the movement in various countries as recorded month by month in *Land & Liberty*. The office had been kept very busy with its international correspondence, not to speak of its home work. Their next International Conference was due in 1932, and from suggestions received the choice of place seemed to lie between Cardiff in Wales and Copenhagen in Denmark. It was decided to postpone decision in this matter till a future meeting, with the prospect of their President, Mr Hennessy, being in attendance, by which time more opinions would have been canvassed.

Regarding the proposed official report of the Edinburgh

Conference, the type of the printed papers that had been presented was being kept standing and the preparations were in hand for eventual publication in book form, reporting also the Conference discussions and events. An important consideration was, however, the considerable cost of publication, for which funds were not at the moment available. It was decided that the suitable moment for the issue of the Report should be left in the hands of the President, the Chairman, the Treasurer and the Secretaries.

Mr Jos. Davison, of Bellaghy, in Ulster (present as deputy for Mr A. W. Roebuck of Canada), was elected a member of the Executive as representing Ireland, his election making up the total Executive membership to 28 as provided in the Constitution.

Mr Crompton, placing his position as Chairman in the hands of the meeting (his appointment having been made to 1st August, 1930, or till his successor was elected) said that someone else should be preferred, but on the unanimous resolution of the meeting he was reappointed and agreed to continue for another year.

The Executive heard with pleasure that Mr Louis P. Jacobs had so far improved in health that he was able to depart on a sea voyage to complete his convalescence. The hearty good wishes of the meeting were conveyed to him and to the Treasurer, Mr Ashley Mitchell, who was about to leave on a business trip to North and South America. Both members were asked to convey from those present greetings to all friends of the movement whom they would meet in the countries they were visiting.

NEW ZEALAND

A decision seriously challenging the land value system of rating was given by the Court of Appeal recently at Wellington and reported in the *Liberator* of July, 1930. The parties in the case were the Borough of Northcote and Mr A. G. Buchanan, a ratepayer of that Borough. In Northcote the rates are levied on the basis of land value and the Borough sued Mr Buchanan in respect of unpaid rates levied on a property with a dwelling house erected thereon. Mr Buchanan disputed the liability, citing Section 69 of the Rating Act, 1925, which provides that where a dwelling house or other building remains vacant for a period of not less than six months, the person rated shall be liable to pay only half the rates otherwise payable. Mr Buchanan's property had been vacant for six months and he had given due notice of that circumstance in accordance with the law. The question raised by the summons concerned the effect of the section where the system of rating on land value is in force. How can anyone contend that the rate, being levied on land value and not on the building, should be remitted or reduced because the building was vacant? But that was the contention, and the Chief Justice, Sir Michael Myers, gave judgment in favour of Mr Buchanan. He held that "dwelling house or other building" must be read as meaning land and a dwelling house, or, what is the same thing, a dwelling house or building and the land within its curtilage; and the basis or system on which the property was rated was quite immaterial.

The principle of land value rating is that all land shall be rated on its value apart from improvements, whether the land is used or not and whether it is vacant or not; and this judgment which interprets the 1925 Act to mean that the land value rate shall not apply if the building is vacant will have far-reaching consequences. It means that even vacant land can be exempted from the land value rate, wherever in operation, by simply building a shack and keeping it vacant.

It is gratifying to see that a vigorous protest has already been made by the municipalities, the lead being taken by the Mayor of Takapuna, Mr Williamson, at a Conference of representatives of the four North Shore boroughs (in the vicinity of Auckland) namely, Devonport, Birkenhead, Takapuna and Northcote. Strong

resolutions were carried urging the Government to correct the anomaly and make the legislation retrospective.

DENMARK

The October number of *Grundskyld* gives first place to an illuminating article by Mr P. A. Kruuse, the Chairman of the Odense Valuation District, in which he deals with the operation of land value rating in that town. Odense is the third largest borough in Denmark and has a population of 80,000.

In 1924 the national land value tax of 1.5 per 1,000 took effect, a very moderate step indeed, but a straight step, since this tax applies uniformly in town and country alike. In 1926 there followed the Act for local land value rating under which the rate varies from place to place, depending on the circumstances of the rating system formerly in operation. The 1926 Act unfortunately put severe limits on the application of land value rating in the towns—it was more generously applied in the country districts—but within these limits the Odense borough has put the policy in operation to the fullest extent possible. The land value rate is 6.3 per 1,000, equivalent to 1½d. in the £ of capital value and the rate on buildings and improvements is approximately 4.5 per 1,000, but the borough gives the maximum relief to buildings and improvements allowable under the law—namely, 8,000 crowns (£440) in respect of every property. The improvement rate, therefore, falls only on the value of buildings and improvements that exceed £440. Adding together the land value rate and the national tax on land values, the land value levy in Odense is now 7.8 per 1,000, or 1.87d. in the £.

Unfortunately, again, the 1926 Act did not give the boroughs the power to reduce the local income tax below the amount which would take five-sixths of the local revenues. That barrier in the Act to the further development of the land value policy is marked for demolition in the new legislation now before the Danish Parliament.

Meanwhile, only a small instalment of land value taxation is in force, yet the benefit Odense has derived is clearly demonstrated by Mr Kruuse, his testimony having the added value that it comes from the chief official authority in charge of the land valuation of the district. The following are the figures of dwellings erected in recent years:

1922-23	...	165	1926-27	...	191
1923-24	...	265	1927-28	...	421
1924-25	...	248	1928-29	...	457
1925-26	...	356			

The 1926-27 figures were affected by the four months' stoppage in the building trade due to a conflict between the workers and the employers. In July, 1930, there were 370 dwellings under construction, and Mr Kruuse remarks that the housing problem in Odense is now well on the road to solution.

Mr Kruuse gives the illustration of a tract of land held as "agricultural" inside the town which had for many years been held up against the builder while the district all around was being developed. It was a clear case of speculation. In 1920 this "farm" was assessed at a land value of 393,600 crowns (£21,860) and the old "ground tax," since replaced by land value taxation, was 77 crowns, or £4 odd. In 1927 the assessed land value was about the same as in 1920, but in the interval the national land value tax and the local rating of land values had been imposed. The result was that the owner had to pay 2,634 crowns in land value rate and 508 crowns in national land value tax—altogether 3,142 crowns, or £174 a year. In 1927 this tract of land was