

DANISH AGRARIAN AND SOCIAL EVOLUTION

And the Influence of Henry George's Ideas Thereon

By JAKOB E. LANGE

(Paper submitted by the Author to the International Conference in Edinburgh.)

The life of a people has deep-running roots. This also holds true for the economic and social conditions of a country. In order fully to understand even the most modern phenomena it is not sufficient to bring them into full daylight, also the *background* must be elucidated.

This is seen very clearly when modern Danish agrarian development is considered. Even if the present comparatively high status of agriculture in Denmark may be said to be of recent origin, it is the result of an evolution the basis of which was laid centuries ago in the history of the people.

This fact is eminently brought to light when comparing Danish agrarian history with that of the surrounding countries.

I.—*The Danish peasant-farmer was never deprived of his land.*—Even in the "dark age" (the 17th and 18th centuries) ancient law (strictly upheld by the absolute monarchs as far as their power reached) forbade any attempts by the nobility (the landlords) to deprive the peasantry of their farms. True the peasant-farmer had to give up proprietorship and become a tenant under the landlord. And being tied to the property by a kind of villenage, and thus unable to extricate himself from the jurisdiction of the lord of the manor, he was in the worst period reduced to a status of semi-serfdom. Still, he never lost the land. Even if he had to take it at the hand of the lord (as life-tenant), the lord, on the other hand, could not take it from him. The *land*, in fact, belonged to the peasant-farmer, the rent only to the landlord.

Life-tenure (which in most cases spelled family tenure, often for centuries) was the only way in which the landlord could dispose of the farms of the village which he owned. He could not let them on short terms. If he was unable to find a suitable tenant for any of the farms, he himself would be responsible for the—often heavy—rates and land-dues. But he was not permitted to cultivate the land himself or by bailiff, still less to pull down the farmhouses and transform entire villages into large manorial farms, sheep-runs or hunting grounds.

Not only the laws of the land for the protection of the peasants' home farms prevented this. We also had a well-defined system of land-dues (a kind of agrarian land values taxation) which never was allowed to dwindle down like the ancient English land-dues, but which, on the contrary, at times would absorb almost half of the net rent to be obtained from the peasant-farmers and which would fall back on the landlord in case he could find no tenants or wanted the land to lie waste as a hunting ground.

II.—Shortly after the middle of the 18th century more favourable commercial conditions for agriculture induced some of the leading landlords to modernize and intensify agriculture on their manorial farms. But under existing conditions this only made matters worse for the peasant-farmer, because it tempted the landlords to increase their claims on the farmers, especially by demanding more than the customary "soccage" (work done by the farmer and his hands on the manorial farm in lieu of money-rent), thus

often causing the farmers to neglect their own agriculture. But, fortunately, instead of leading to the ruin of peasant-farming and the peasantry, it opened the eyes of the more far-sighted and public spirited Statesmen of the time to the danger inherent in the whole system. Under the influence of physiocratic ideas the great peasant-liberation legislation was set on foot.

By these 1788 "acts," not only was soccage brought down to its customary height and arrangement made for its conversion into a fixed rent-charge, but villenage was abolished and the peasants given an opportunity to convert on rather easy terms their life-tenure into copyhold or peasant-proprietorship. About the same time the *commons* were disposed of, not as in England by Acts of Enclosure which practically gave the commons to the landlords, but by a careful proportional division among all the home-owners, who each got his strip of woodland, bog or meadow as a substitute for the former right to use the commons. This was a very important step, because it insured, to a certain extent, access to the land even to those who had no part in the original village-acres.

III.—Although the 7-years' war with England (1807-14) and the agrarian crisis after the end of the Napoleonic wars almost brought the State to the verge of bankruptcy and many of the farmers, big and small, to ruin, the liberated peasantry as a whole strode slowly but steadily forward. However, real prosperity could not be expected under existing conditions. But the abolition of the *Corn Laws* in England, in the time of Robert Peel and Richard Cobden, was a godsend to our farmers, who thus, by a single stroke, were given access to the world-markets on free trade lines, an opportunity they were rather quick to make the best possible use of by going in for fundamental improvements of their farmland and products.

Thus the former subjugated poor peasantry was transformed into a fairly well to do farming population, which, in the course of the two generations from 1820-80, became peasant-proprietors.

IV.—However, a new agrarian problem had gradually arisen. The population was growing fast. There was hardly any outlet for it into the towns, which were small and without any industry in a modern sense. A landless or quasi-landless class of "housemen" was the result of this, which were entirely or mainly dependent on their work as agricultural labourers, even if a few acres were attached to their homesteads—which they were obliged to cultivate on Sundays and at night after a heavy day's work for others.

Only as crofters on the heaths in the poorest parts of the country, or on the prairies of far-away America, could they find that land without which their daily life and work was without any prospect. And those that had some land were almost worse off than the entirely landless. Their acres were too narrow to support a family in anything but sheer poverty. They were *tied* to the land more than *supported* by it. They could not leave their masters without losing the land and, on the other hand, could not cultivate it properly in their scanty spare time.

V.—The agrarian crisis in the eighteen eighties, which by Germany was met by a renovated Corn-law policy, aiming at artificially raising the price of corn, etc., in the interests of the landed proprietors, in Denmark was warded off under free trade conditions by fundamentally altering our farming from old-fashioned cultivation of corn for sale to modern dairy-farming. The peasant-farmers who had gradually become the leading factor in Danish agriculture did not want (like the big landowners) to follow the example set by Bismarck in Germany who united the landowning

interest and the industrial magnates in supporting his new protective policy.

And their new dairy-farming they succeeded in building up on a broad basis of co-operation on strictly democratic lines.

Here was a new opening for the "houseman" or smallholder! When his few gallons of milk could command the same price as the big quantities from the large proprietor, when there was practically no limit to the number of pigs he could raise and sell through the Co-operative Society on the English market, and when his vote told as much at the general meeting of the butter factory as that of his big neighbour, new vistas opened up to him—if only he had the land, that minimum of land necessary for him to go on, and a fair prospect of a strip more for his sons.

Under these conditions, the land question to this broad class of "landless farmers" became the question. The new smallholder organizations which rapidly sprang up in the decades after 1890 naturally first of all demanded a legislation for sub-division of land for the benefit of hitherto land-poor or landless. But they did not limit their demands to such short-sighted class-legislation. About 1890, the ideas of Henry George had been introduced in Denmark.

VI.—*Free Trade* came natural to a farming population who had just entered upon agricultural reforms based on free trade. But it was for the smallholder to grasp his fundamental ideas of the equal rights to the land, realized through nationalization of the rent by means of land-dues (land values taxation).

Land-dues we had from of old as the basis of our rating and taxing system. But while the landed aristocracy and the larger peasant-proprietors wanted to abolish these land dues, the leaders of the smallholders, inspired by Henry George's ideas, clearly perceived that it was by extending and rationalizing our land-dues to an all-comprising land values taxation that access to the land could lastingly and naturally be secured for the people at large.

Such a policy would induce or force the incapable or unprogressive large farmer to sell. It would kill land speculation. It would fall lightly on the thrifty smallholder whose improvements and buildings would be untaxed and bring land on the market at prices which would facilitate sub-division. As early as in 1902-10 a fully developed political programme of free trade and land values taxation was put on foot by the national organization of smallholders.

You will learn from other sources at this Conference how far these demands have been realized in Danish legislation and what is the outlook for further steps on these lines. No very radical strides are to be expected, but the fact that the rather strong majority, now in power, of the allied Radical-Liberal and Social-Democratic Party are fully agreed on extending and rationalizing our land-dues, in town and country, combined with a special surplus tax on increments gives us a fair prospect of important progressive legislative steps in a comparatively near future.

But I must say a few words about another feature of the Danish land policy in recent years which has been developing under the direct influence of Henry George's ideas.

VII.—The landed aristocracy, even after selling out (in the 19th century) their interest in the property of their former tenant-peasants, possessed large and valuable tracts of land of the best quality. These lordly properties, often comprising as many as 10 large farms, many thousand acres of land, were held together for the benefit of the noble families by a system of *entails*, dating back to the beginning of the 18th century.

Entailing was stopped by the Constitution of 1849,

but what compensation was to be paid to the estate-owning families for the protection rendered to them by the State during two centuries, and for having the land given over to them now as free and saleable property, had not been settled and had been in dispute in Parliament for 70 years.

However, under the influence of the Georgeist smallholders' demand for fuller access to land, the problem was taken up anew, resulting in an Act (of 1919) providing for the lifting of the entail, conditioned upon the estate-owning families rendering to the State about a quarter of the total value of the entire entailed property (including entailed capital derived from the sale to the former tenant-farmers of their farms).

This land and money was to be used for sub-division purposes, to facilitate the establishing of new settlements of smallholders on the former manorial farm land.

But we did not ask the State to take the land from one family to give it to other families. We did not want to perpetuate any land-owning privileges. Consequently the law of 1919, which put the land at the disposal of the State for sub-division, does not treat the land as something to be given over *in freehold* to the future smallholders. True, the "State smallholder" becomes a *proprietor*, who can, within reasonable limits, do whatever he pleases with his land, leave it to his son, or even sell the property to another man who undertakes to work it. But the *interest on the capital value of the bare land*, the *economic rent*, has to be paid for ever to the State by whoever holds the title. The money advanced by the State for *building purposes* to the new settlers naturally is to be paid back (in long instalments), but the *rent* is a perpetual charge on the land, but not a fixed one.

The land in Denmark is valued every fifth year for taxation purposes (the *land dues*). Whenever this general valuation takes place the rent-charge of the State smallholder is automatically regulated (being $4\frac{1}{2}$ per cent of the capital value of the bare land). Thus the smallholder, while having absolute security and practically no taxes to pay on his buildings and improvements, is not a *rent owner* and can never become a *land speculator*. And land to be had for the payment of the economic rent land is always to be had on application for any deserving and well-equipped young man with a minimum of personally earned capital (say £100).

VIII.—This system all democratic politicians (Labour and Liberal) are agreed on extending in every way. And by increasing the general *land dues* (land values rating and taxation) untaxing buildings and realizing our free-trade programme we intend gradually to make all landowners rent-payers to the State.

Thus in a country of great sub-division of land and extended peasant-proprietary we hope to realize the fundamental ideas of Henry George: For the individual citizen: *absolute security of possession*, and for the State: the right to the *community-created rent* or, in other words, the *land* to the man (who uses it), the *land value* to the *people* who create it.

This we hope to realize, not for the people, but by the people: not only the landless masses, but the great host of homestead-owners and peasant-proprietors.

To show to the world at large the workability of this Georgeian system in an agrarian peasant-population in a progressive State is to us Danes the great task of the present time and the future. And we Georgeites, few as we are and without apparent influence, are proud of having been an instrument in starting this important movement by spreading the light in low places, in the mind of the common man who in a democratic age will have to create his own future—and that of the world.