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# Henry George and Europe:

## *In Germany, George's Followers, headed by Adolf Damaschke, Won Several Statutes and A Constitutional Revision*

By MICHAEL SILAGI\*

Translated by SUSAN N. FAULKNER

ABSTRACT. *Adolf Damaschke*, a Berlin schoolteacher, played a 'fateful' role in developing a large *land reform* constituency in Wilhelman *Germany*. By chance he heard a lecture by *Michael Flürscheim*, Henry George's follower. And by accident he was won to the movement. He built the *Union of German Land Reformers* into an active organization of 100,000 dedicated members from all classes. For tactical reasons what Damaschke pushed was his version of the 'Single Tax Limited,' though he never lost sight of George's *philosophy of freedom*. There was a "German Fatherland" emphasis in his advocacy. Yet he despaired of building a mass constituency for that philosophy.

### I

#### **Damaschke's Union of German Land Reformers**

AT ABOUT THE SAME TIME as the German Imperial Commissioner of the Kiaochow, China, Territory, Ludwig Wilhelm Schrameier, composed his memorandum about the land and tax problems in the Far Eastern colony, the Berlin primary schoolteacher Adolf Wilhelm Ferdinand Damaschke (1865–1935) founded, with a few members of the defunct Flürscheim group, a land reform organization, which, beginning in 1904, called itself the Union of German Land Reformers—a second organization with that name. The significance of Adolf Damaschke for the further development of the land reform idea in Germany is described by Theodor Heuss in the *New German Biography* as "fateful."<sup>1</sup>

As leader of, and spokesman for, the German land reformers until his death in 1935, Damaschke gained for himself, after Henry George, the greatest name in this movement. It was due to his great political and propagandistic achievements that, instead of another sectarian land reform group, which prior to 1898 could only bring up their memberships to at best a few hundred (but for the most part only to a few dozen), a union was formed which, at the time of its greatest development, counted around 100,000 members.<sup>2</sup>

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Yet it was only a coincidence which made Damaschke acquainted with the idea of land reform. He describes in his memoirs how, one day in August of 1890, the thought occurred to him of attending a meeting of the Flürscheim Union at which its founder was to speak:

"August 16, 1890, was a dull day. Some appointment had gone awry. I was free and wandered aimlessly through the streets. Then I read on a poster for the first time the words 'land reform.' A speech by Flürscheim was announced. I decided to listen to the new doctrine."<sup>3</sup>

Damaschke, who "on that August evening . . . knew [nothing] of land reform,"<sup>4</sup> developed through this lecture "some interest in the matter,"<sup>5</sup> but felt "no inclination"<sup>6</sup> yet to join the League.

But without actually having wanted to do so, he did become a member of the German Union for Landownership Reform. This happened as follows: Damaschke had given the organizers of the meeting his name and address, and this, as he had been assured, without any obligation, merely to have pamphlets and invitations of the Union sent to him. But, asks Damaschke in his memoirs, "was it a mistake, or was it gentle violation—suffice it to say that I was entered as member of the German Union for Landownership Reform. A short time thereafter, when I happened not to be at home, a messenger came and asked for the membership dues. He was paid because it was assumed that the request was correct."<sup>7</sup>

Damaschke remained a member of the Union. After a short time he rose to the leadership of the small organization: in 1891, he became Secretary, in the following year Third Director, and in 1893 Second Director of the Union.<sup>8</sup> At that time he also published the Union's organ, *Free Land*. Soon he became the actual leader of the Union instead of Heinrich Freese, who was still nominally First Director. Indeed, when Damaschke moved for some time from Berlin to Kiel in 1896, this meant in practice the end of the German Union for Landownership Reform.<sup>9</sup>

When Damaschke subsequently, at Easter in 1898, revived the movement with his Union of German Land Reformers, 140 like-minded adherents from the old Union could still be found. From this small circle he created within a few years a powerful special interest group, which in the first decades of the 20th Century came to represent a significant political factor. That the 100,000 members it claimed existed not only on paper is proven by the outcome of two petition initiatives. In 1901, the Union was able to collect 94,000 signatures for a petition to the Prussian Legislature "for the protection of the new canal shores against artificial price increases through land speculation."<sup>10</sup> In 1919, within a short time, more than 80,000 signatures were obtained for the candidacy of Damaschke for President of Germany, after his friend and co-campaigner Adolf

Pohlmann had popularized the idea that the “leader of the land reform and homestead movement” should become the national leader of the new Republic.<sup>11</sup> It was proof as well of Damaschke’s personal popularity. (These figures should be compared with the less than 300 votes which had been cast in Berlin, in 1893, for the land reform candidates for the Reichstag.<sup>12</sup>

As Union head, Adolf Damaschke was able to make the land reform movement, which actually sought the reconstruction of the prevailing social order, somehow acceptable and fit for good society or, as Flürscheim once expressed it, “fit for government”<sup>13</sup> within the Wilhelmian environment.

A statistic published in 1905 in the *Year Book of Land Reform* about the composition of the Union reveals that, among the first thousand members, the “state and local officials” represented the largest group with 142 (plus 27 judicial officers). The officials were followed by factory owners and businessmen (139), primary schoolteachers (112), teachers of secondary schools and farmers (80 each), physicians (71), and private scholars and students (57).<sup>14</sup> Among the members of the National Assembly, which met in 1919 in Weimar, there were, according to information given by the Union leader, 76 Union members, “and these of all parties.”<sup>15</sup>

## II

### **The Platform of 1898 Appeals to the Public**

THE BASIS FOR THIS UPSWING was the platform accepted in 1898, from which can be deduced as well the attitude of its author Damaschke:

The Union of German Land Reformers sees in the land question the principal part of the social problems. It advocates that land, this foundation of all national existence, should be placed under a law which will promote its use as work and living site, which will make its misuse impossible, and which will, if possible, make usable to all the people that value increase which it receives without labor of the individual.<sup>16</sup>

Then followed a series of immediate demands. These were, however, by 1904, omitted from the platform.<sup>17</sup>

The quoted sentence from the platform was an effective public relations formula, but—as we shall see, consciously phrased to be non-committal. It enabled everyone to participate who was ready to see in the land question an especially important “part” of the social question. The statement of purpose was intentionally so couched as to make it possible “that all streams of the movement . . . could find room in it.” (Damaschke<sup>18</sup>)

At its center was placed the demand to eliminate any misuse of land; a demand to which any decent person could subscribe without considering what he thought such misuse to be and what means for its prevention he desired. In this con-

nection, Josef Wagenbach, a follower of Damaschke and author of a small land reform book, comments: "The platform speaks of the creation of a law. . . . Through this formulation of the statement of principle, that the land be 'placed under a law,' a statement that does not say what kind of law is to be instituted . . . the Union is able . . . to cover a wide spectrum."<sup>19</sup>

Only after the demand to prevent future misuse of the land followed—in a typical form for Damaschke—the Georgist postulate that the land rent be made community property. Damaschke expresses this in the phrase that the land rent should be made "useful to all the people," and this "if possible."

This formulation is typical for its author because it corresponds to his principle, to "resist any programmatic commitment to detailed questions."<sup>20</sup> Damaschke wanted to create a large movement, and "a movement that wants to grow must consciously renounce 'self-righteous belief.'"<sup>21</sup>

The demand for making the land rent usable is only a weak, vague echo of the goal of strict land reformers. It is even further diluted through the added phrase, "if possible." This addition possibly provides the key to the secret of the success of Damaschke's movement after the turn of the century. It is interesting to read what Damaschke later, in his memoirs, had to say about this phrase, "if possible."

This program has now been in force 28 years. It was changed only once. When after the great insurgences [of 1918] radical trends came to the fore everywhere, there was in this Union as well a demand to proceed more vigorously than before. When we asked the friends pressing us what changes they wished to make in our platform, they demanded the elimination of the words "if possible" in the last sentence. This was, to tell the truth, a bit childish, for that which is not possible cannot be carried through. But of course we gave in.<sup>22</sup>

Remarkable, and for the pure tactician typical, is the interpretation as 'nonsensical' of the phrase "if possible," as well as the final sentence about yielding in the face of a demand seen as childish.

### III

#### **Damaschke's Version of the Single Tax Limited**

DAMASCHKE WAS NO DOCTRINAIRE. He gave no generally binding prescription for reaching the goal striven for. In fact, a compilation of the most important, more or less concrete demands was, initially, put at the very end of the program passed in 1898. It is indicative of the author that this catalog of demands was eliminated, as early as 1904, without any substitutions.<sup>23</sup> For it would have shown, despite its broad outlines, a still undesirable commitment.

The individual demands are revealing, however, as far as the movement in Germany was concerned, because they perhaps echoed the goals of the prevalent "Damaschke direction."

I. Organic transfer of real estate credit to public revenues. II. Prevention of community-damaging utilization of natural resources and prevention of monopolistic industry and corporations. III. 1. Maintenance and planned expansion of the community landownership. 2. Institution of a residence law that prevents speculative and excessive land use and that excludes residences which do not meet proper requirements in matters of either health or morals. 3. Taxation of unused urban land according to the value which is determined by self-assessment. The community's right to expropriation according to the value determined by self-assessment. 4. In all cases of value increases which occur through improvements done at public expense . . . taxation of those landowners whose property is thereby increased in value in proportion to this increase. 5. In cases of forced land sales, the community, respectively the State, is to have prior purchase right. 6. Planned internal/colonization by the State, and this in a form which excludes speculative utilization and excessive mortgaging of the newly created property. 7. Securing of the demands of the construction workers. 8. Support of such building cooperatives which uphold a policy of community property, including the leasing of public lands."<sup>24</sup>

There is no mention here of the abolition of taxes inhibiting production or of protective tariffs—to say nothing of the substitution of all taxes by the Single Tax. Missing also is any indication of a direct linking of land reform with the general problem of freedom. Damaschke did not want to take away by taxation all the land rent, only to tax it (III.3) and that only in the case of under developed urban sites. He placed much more weight on taxing away a part of the unearned increase of value of the land rather than on a land value tax (III.4), something in which he follows J. S. Mill. He was evidently able to make this point in his program clear with relative ease to his public, in the manner of the example of Rip Van Winkle cited by George.<sup>25</sup>

Another characteristic peculiar to the German land reform movement, which was probably due to the tactical instincts of Damaschke, was the Union's primary emphasis on urban problems, and its tendency to play down, generally, the difficulties of agrarian lands (*cf.* especially III.3 as well as 2, 7, and 8). Damaschke's demand for securing an increasing landownership by the community and for its option to purchase land (III.1 and 5) after a planned colonization (III.6) and after a reform of mortgage rights (I) did actually apply to rural areas as well, but evaded, in fact, really delicate controversies. Obviously, Damaschke wanted to sidestep the disputes between farmers and large landowners.

In particular, then, the Union of German Land Reformers espoused a whole catalog of more or less land reform-styled platform principles which in part derived from George's postulates, but in part contradicted them.

Yet, for Adolf Damaschke all these concrete demands were not questions of principle. The basic thought of his work was, actually, "that every German must have the ability to obtain access to and a share in German land, at a reasonable price."<sup>26</sup> His idea was the image of a community of the German people in which every citizen could live on his own soil, in his own home; land reform was for

him "an organic rooting of the German people in German soil; German children in light and air and sun, German children, healthy in body and existence."<sup>27</sup>

For Damaschke, the point of chief importance was that the Union, "somewhat like a public graduate school,"<sup>28</sup> instill in the Germans a feeling of the urgency of the land question: "Our next great problem must be to gain the confidence, yes, even only the ear, of the masses."<sup>29</sup> He was filled with the assurance that merely the dim consciousness of the land problem among the German populace would, sooner or later, bring about a fair or at least a fairer solution of the land question and, with it, of the social question in general.

Any step in this direction was welcome to Damaschke, regardless of whether or not it agreed with all the land reform principles. A particular point in his memoirs, where he speaks about "all sorts of encounters," is characteristic for the attitude of this opponent of a "firm elucidation of our basic principles"<sup>30</sup>: "Others, again, who have taken hold of a great objective, now see nothing any longer than this objective and do not know that recognizing an objective is one thing, but clearing the path toward it is another; that it is true that a navigator should never lose sight of the port, but precisely for the sake of reaching port he may be forced, in case of contrary winds, into many tasks."<sup>31</sup>

#### IV

#### **Damaschke and the More 'Orthodox' Georgists**

THERE WOULD SEEM, at first glance, to exist an unbridgeable gap between the position of Damaschke, the German land reform leader, and that of Henry George. While the German was always ready for compromise, the American was as averse to any contradiction as he was faithful to his principles. To George, the basic tenets of an order according to natural law, an order which was valid for all people at all times and unconditionally, and which could never change, were ever in his mind.

But in regard to the differences between the two men, Damaschke never denied that he felt himself to be a successor of Henry George, whose teachings he had encountered for the first time in 1890, initially by way of Flürscheim's interpretation.<sup>32</sup> "For him [*i.e.* Damaschke] the encounter with Henry George's doctrine and his German herald, Mr. Flürscheim, was fateful,"<sup>33</sup> writes Heuss in the already cited article, and Damaschke confirms this fact in his memoirs, when he comments regarding Michael Flürscheim: "In 1890, we all learned the most through his inspiration."<sup>34</sup>

But while Damaschke's judgment about his immediate teacher Flürscheim was on the whole negative, there is discernible throughout his writings like a red thread the great admiration he had for the American social reformer, even

and precisely where he did not follow him in details. For in general, in the broad outline of ideas, he felt himself to be entirely linked to Henry George.

He believed, however, as Wilhelm Schrameier, Damaschke's close collaborator after his retirement from civil service, reports, that George's ideas would have to be changed. He writes that Damaschke believed "that, in case that the idea fought for by Henry George should take hold in Germany too and should lead to a change in public life, it would have to be divested of its abstract form and be transformed into practical concepts."<sup>35</sup> But this "transformation into practical concepts" of the Georgist tenets meant, in actuality, their dilution, as exemplified by the colorless, ultimately meaningless statement of principles of the Union; and when it became a question of exerting the broadest possible influence on the German people, Damaschke resigned himself not only to emptiness of content but to internal contradictions.

Crass evidence of the latter was clearly visible in the last program composed by him, in 1893, for the then Freese-led German Union for Landownership Reform. In this platform, there was for the first time no longer any mention of the "transfer of landed property or of land rent from private hands to the community."<sup>36</sup> Mention was made only of the "ownership sovereignty of the community over the treasures of nature"<sup>37</sup>—whatever that might mean—(Sentence 1), and it was demanded that "the values which have not been produced by an individual should not be given over completely to any single person."<sup>38</sup> Nothing was said as to the degree of "completeness" that would have to be achieved before this "giving over" would become improper.

In the third and last sentence of the program of 1893, Damaschke then enumerates, on the other hand, the entire catalog of Georgist measures—here citing even the abolition of customs duties (which, however, was not brought up again). We read here:

"The Union is convinced that the consequences of the reform desired by us—cessation of all unearned income from mortgages, promissory notes, state debentures, etc.; substitution of all taxes and duties by a land tax or land rent—will open the way to a condition in which economic justice and personal freedom will be joined."<sup>39</sup>

True, Damaschke does not expressly demand the imposition of a Single Tax on land values (or even the leasing of land), but he believed these practices would be consequences of the demands made in Sentences 1 and 2. But since he puts as the ultimate goal a completely Georgist economic order, he shows that he has taken over the ultimate goal from George, and that he shares the latter's conception of the function of land rent. (One finds something similar in the book *The Land Reform*, where Damaschke, wholly in the spirit of George, writes: "This is the land reform doctrine: this land rent is to be retained for the



community and, where it has become lost, it is to be gained back. To each his own! To each one the optimum return for his labor and his capital! But also that for the community which belongs to the community!"<sup>40</sup>

Damaschke's opinion about George did not change even when he became the leader of the German land reformers. In January of 1899, he spoke before the Economics Section of the Free German Foundation at Frankfort on the Main. The theme of his speech was "Henry George."<sup>41</sup> After a description of George's life and work, in which Damaschke gave appropriate credit to the success and influence of the American,<sup>42</sup> Damaschke talked briefly, at the end of his address, about his own Union. He said the following about its relationship to Henry George and his teachings: "The German followers of Henry George have organized themselves to form the Union of German Land Reformers. . . . They know that one cannot safely take even the smallest step without 'keeping the supreme Idea always before one's eyes.' And this supreme Idea they find in the tenets which Henry George has laid down."<sup>43</sup>

Damaschke's attitude toward the author of *Progress and Poverty* remained unchanged throughout the decades of his land reform activities. Much later, in 1930, in a description of a discussion with an American, which turned on the question of clarifying his positive attitude toward Henry George, he pointed to the just cited speech in 1899.<sup>44</sup>

In his larger writings as well, Damaschke writes in detail about the American social philosopher and prepares for him, as Schewe puts it, "a place of honor" among his books.<sup>45</sup> In his *History of Economics* he cites in three tightly packed pages, in which he gives a summary of the Georgist Congress of 1893 held in Chicago,<sup>46</sup> the "epoch-making doctrine"<sup>47</sup> of this "pioneer of land reform".<sup>48</sup> In *The Land Reform* he devotes a whole section to George.<sup>49</sup> In this book one finds, as well, in another place the already quoted comment about the nature of land rent, a comment which could have been taken verbatim from George.<sup>50</sup>

## V

### **Damaschke's Differences With George**

YET DAMASCHKE was quite conscious of the fact that, despite such occasional echoes of *Progress and Poverty* in his works, the direction taken by him did not correspond to the Georgist ideal. He did not, nonetheless, explain the differences on the basis of objections in principle against George's conceptions. That which the American proposed for the solution of social problems was entirely sensible, but it could only be valid under circumstances which were prevalent at that time in the United States. Given different circumstances, other measures were needed for the realization of the land reform goal.

Henry George was, as we have seen, convinced that there existed everywhere and at all times only one just solution of the social ills, namely one based on natural law. This natural law was historical for him only insofar as it received a particular imprint according to each historical circumstance. But in the last analysis, he saw this natural law as ahistorical, because it was after all a time-related formulation of the basic principles of eternal justice.

Damaschke, on the other hand, did not care for such eternal values. He believed that every land had to find the way which was appropriate to its historical development for the realization of land reform. In a discussion of Karl Schewe's *Land Reform and Land Reform Party in England*, the German land reform leader explained how he regarded the differences between his Union and the Anglo-Saxon movement in their relations to Henry George: "In principle, the German movement is distinct from the Anglo-Saxon one in that we in Germany give the place of decisive influence to the historical conception rather than to that of natural law, which is predominant in the movement. That which, in the hot-house atmosphere of California in which Henry George's *Progress and Poverty* was created, may well have been fully justified, is by no means so in a country with our development."<sup>51</sup>

But while he did not want to take over unreservedly the American's prescription for Germany, he did not see the ways in which the German land reformers were proceeding as universally valid. In a memorandum to the Chinese government in 1930, in which he rendered an opinion, Damaschke stated: "The realization of the land reform idea will depend in manner and extent on the historical development of each people . . . and so it is well possible that the doctrine of the German land reform movement cannot be applied unconditionally and in each detail to China."<sup>52</sup>

By the way, the same rejection of the Georgist claim to have found timeless truths and to have made proposals for valid solutions, independent of historical circumstances, is made by Marcus Hitch, a Socialist. He compared Henry George with Joseph Dietzgen, called "our philosopher"<sup>53</sup> by Karl Marx in 1872, a philosopher who spoke in great detail of Henry George and of his teachings in his "Letter about Logic."<sup>54</sup> Hitch wrote in 1908 in the *Socialist Monthly*: "George could not distinguish between justice and justice. Dietzgen could. George knew only one sort of justice: the eternal justice. Dietzgen knew of many kinds of justice, which together were valid only temporarily."<sup>55</sup>

But apparently, Damaschke did not oppose George's conception of natural law for dogmatic reasons. Rather it seems that tactical considerations played a decisive role here, since he did not believe that the Georgist program could be carried out in Germany.

Next to his tactics, another important factor in Damaschke's success in the German Empire was his language, the nationalistic, earth-bound diction, which met the sentimental-national needs of broad circles of the population. The rationalist George conceived of the land as an economic entity, as the one necessary production factor which was given to all and whose share in the production, the land rent, was accordingly due to all in the same way. For the German land reformer, on the other hand, something irrational and mystical adhered to the concept "land," particularly German land. Damaschke, who at the time showed definitely mystical tendencies—he was at séances, according to his own testimony, a "welcome guest, because a rather strong impulse for those strange movements [*i.e.* at dictation] flowed forth from my fingertips"<sup>56</sup>—described this magical force of the German earth as follows in an address at the celebration on the occasion of his 50th birthday (in 1915):

"Yes, the soil has a mystical power! Today this mystique is revealed to our people! Only for the soil that is called Germany can we demand sacrifices from our people, sacrifices unheard of in history since Germans have been called upon to live on this corner of the earth. Not money, not any merchandise or values that can be pushed back and forth—only the 'mystique of the soil' speaks: I am the fatherland, I am sacred. For my sake you must face blindness, crippling, death; for only on this soil can the German spirit grow and unfold as a blessing to all!"<sup>57</sup>

In contrast to Damaschke's renunciation of an internally integral and non-contradictory program, this phraseology thoroughly accorded with his conviction. His inner feelings emerge clearly there where he compares himself to his first teacher, Michael Flürscheim: At the outset, he reports about the latter's extended travels to foreign countries, in the course of which the factory owner spent lengthy periods in England, Australia, New Zealand and the U.S.A., in order to propagandize for his ideas.

Flürscheim was, indeed, as he confessed himself, convinced that it was in the final analysis of no importance where in the world the battle for land reform was fought, since a victory for social justice anywhere would eventually benefit all parts of the earth.<sup>58</sup> (It should be mentioned here that Flürscheim could not understand why for Damaschke the land was, as the Union's program of 1898 had stated, "the basis of all national existence," "as if," he objected, "it is not the basis of all existence."<sup>59</sup>) All his senses, Damaschke said, revolted against such a view,<sup>60</sup> and he took Flürscheim for this reason to be a man "full of strange disquiet," a "nomad who is indifferent as to where he pitches his tent."<sup>61</sup>

At this point in his memoirs, Damaschke describes himself thus in contrast to Flürscheim: "With all the fibers of my being I feel that in death and life the German fatherland alone can be my work and combat arena, and that for me all my destiny can only be decided in Germany."<sup>62</sup>

In these comments one can see perhaps most clearly the divergence of the German land reform leader from Henry George, who was as a matter of course a citizen of the world and who espoused justice—equal justice—everywhere.

Finally, another special characteristic in Damaschke's style, tone, and way of thinking should be pointed out. It is the sentimental component in his work already strongly noticeable in the quotations just cited, a sentimental strain which is illustrated by the following excerpt, one especially typical for Damaschke, from the second volume of his autobiography.

Damaschke notes the resolution of the Town of Salzuflen to call two cross streets Pohlmann and Damaschke Streets. There the leader so honored sees in his mind "the German father, who relaxes from his day's work, in the circle of happy children, healthy in body and soul, rooted firmly in German soil and—perhaps he just now answers the question of his eldest: "You want to know why our street carries this name? . . . When the need became ever greater, men stood up and said: You cannot treat air and light and soil and water like merchandise! The German fatherland is much too sacred for that. It is given to us to gain with it secure homesteads for living and for trade! And finally the people followed these men, and so we have won these homesteads! And among the men who first preached this message to our people there were two friends, Pohlmann and Damaschke—and these streets are named in their memory! And it would then be the realization of all our work and yearnings if the children would shake their heads in wonder: 'But, Father, how can one make a special point of honoring these men for that; after all, it is self-understood!' If the father knows anything about the efforts and battles and sacrifices of the German land reform movement, a quiet smile will play over his lips; but he will say nothing more than: 'Naturally, children, hold fast to that; for Germans this is really quite self-understood!'"<sup>63</sup>

This is a genuine quotation, by no means a malicious stylistic caricature. An interesting contrast is the following comment by Henry George. At a workers' meeting in New York, George once was introduced by the chairman of the meeting as "a friend of the workers." Thereupon George opened his speech with the following words:

"I have never claimed to be called a special friend of the workers. . . . I have never represented special interests of workingmen. I only espouse the rights of all people—an equal right for all."<sup>64</sup>

## VI

**Damaschke's Practical Results**

DAMASCHKE AND HIS ADHERENTS brought about in Germany—as previously in Kiaochow—the imposition of a tax on the increase in value of urban real estate.<sup>65</sup> In 1903, Oetzsch in Saxony was the first town to institute the value increase tax; this was followed by several hundred other towns, among them Frankfort on the Main (in 1904), as well as Munich and Berlin (both in 1910). In 1911 a federal value increase tax law was passed, but only after long discussions and in a form which caused State Secretary Wermuth to say that “the soul has been drawn out of one part of the law.”<sup>66</sup>

It was a law, however, so complicated, so filled with loopholes, that it turned out to be useless in practice. Already by 1913, the Reich had renounced this source of revenues and had left it again to the towns.<sup>67</sup>

Another outgrowth of the movement, a “favorite child of the German land reformers,” as Heinrich Erman put it<sup>68</sup> was the hereditary building right (“Erbbaurecht”) (an encumbrance upon real property consisting of a transferable and heritable right to build or develop the land above or below the surface). Such a right had been established among the ancient Romans<sup>69</sup> and with the acceptance of Roman law it was established in Germany.<sup>70</sup> To popularize it the Union agitated untiringly.

In the 19th century it was used in Germany only seldom. The German Civil Code, proclaimed in 1896, only included it because it had not been expressly eliminated. But because of the lack of actual need for it, it was referred to only in a somewhat “abstract and fragmentary” form.<sup>71</sup> When the hereditary right expires, the construction—that is, the improvement in or on the land, passes automatically to the landowner. But the holder of the right is entitled to compensation.

The regulation in the Code soon proved to be inadequate for a changing legal reality. Josef Ring, the editor of the section about the hereditary building right in *J. von Staudinger's Commentary about the Civil Code*, writes:<sup>72</sup> “After publication of the Code of Civil Law, a sudden change occurred in the conception of the significance of the hereditary building right and of its practical application as well, chiefly through the goal-directed propaganda efforts of the German land reformers. The Union was headed by Damaschke, who was supported by legal authorities (Heinrich Erman, Rudolph Sohm, Paul Oertmann) . . . [all leading members of the union.] Statesmen close to the Union, especially Miquel and Count Posadowsky, participated in these efforts.”<sup>73</sup>

Thus, the hereditary building right now was “used, particularly due to the efforts of the land reformers, as effective means for furthering the construction

of small apartments and for combatting the land and building credit speculation."<sup>74</sup> Already in 1919, the incomplete regulation in the Civil Code was replaced by an all-embracing *Order Regarding the Hereditary Building Right*.

It must be seen as the greatest moral success of Damaschke's direction that in 1919 a proposal of the Union was accepted by the Weimar National Assembly, with a few amendments and changes, as Article 155 of the National Constitution. This says:

- 1) The distribution and use of the land is to be supervised by the State in such a way as to prevent its misuse and to strive toward the goal of securing for every German a healthy home and for all German families (especially those with many children) a homestead for residence and for business that accords with their needs. (War veterans are to be given special consideration in the Homestead Regulation to be created.)
- 2) That land, the acquisition of which is necessary for satisfying the needs for a residence, for furthering the settlement and cultivation, or for aiding the agrarian economy, may be expropriated. (Estate entail is to be dissolved.)
- 3) The cultivation and use of the land is an obligation of the landowner toward the community. The value increase of the land, which has come about without labor or utilization of capital on that land, is to be made useful to the community.
- 4) (All minerals resources in the ground and all economically useful natural forces are placed under State supervision. Private royalties are to be transferred to the State by way of legislation.)<sup>75</sup>

Except for the amendments here put in parentheses,<sup>76</sup> this Constitutional Article owes its creation to the initiative of the Union of German Land Reformers, and "grew wholly from its proposals and its platform." (Erman<sup>77</sup>).

Article 155 rests on a proposal advanced by the Union in February of 1919.<sup>78</sup> The only really significant change in the formulation conceived by the Union demands utilization for the community only of the "increase in value of the land" (in paragraph 3). The proposal of the land reformers sounded strictly Georgist: "The land rent, *i.e.* the yield from the land which results without capital and labor expenditures of the owner, is to be made useful for the cultural activities of the community."<sup>79</sup>

But even in this weakened form, which lays claim only to the increase in value, this demand remained a mere declaration of intent in the National Constitution. As for the Homestead Right regulation, the judicial presuppositions were created in 1920 by a national Homestead Law; "however, homesteads did not find a broad acceptance in Germany."<sup>80</sup>

In any case, Article 155 of the Weimar Constitution has not had any further practical consequences.

In the 1920s, the movement stagnated. The world economic crisis thrust any interest in the Union into the background. Nor did the National Socialists have any deeper understanding for Damaschke's efforts, despite the fact that points of contact between the blood-and-soil mystique and the phraseology of the land

reform leaders did not go unnoticed. (The system of entailed succession of agricultural estates of the Third Reich was based on earlier plans along the lines of Damaschke's thinking). Still, the land reform movement was only tolerated by the National Socialists. The periodical of the movement, *Land Reform*, was able to publish until 1939, at which time it was suspended, it was said, for the duration of the war. Max Liertz wrote in 1948 that, in National-Socialist Germany, the Union of German Land Reformers did "not dissolve, but was laid to rest."<sup>81</sup>

### Notes

1. Theodor Heuss, "Damaschke, Adolf Wilhelm Ferdinand," *Neue Deutsche Biographie* (hereafter NDB), III, Berlin, 1951, p. 497.
2. Rudolph Schmidt, *Starting Anew in Germany* (London, 1949), p. 5. According to reports by Johannes Lubam, *Wesen und Ziel der Bodenreform* (Leipzig, 1907), p. 60, the number at that time of "organized followers" was over 560,000. These included, in addition to the immediate members, also those of such associations which, on their part, were associated members of the Union of German Land Reformers.
3. Damaschke, *Aus meinem Leben* (Leipzig, 1924), p. 266.
4. *Ibid.*, p. 269.
5. *Loc. cit.*
6. *Ibid.*, p. 268.
7. *Ibid.*, p. 269.
8. Heinrich Freese, *Die Bodenreform* (Berlin, 1918), pp. 173, 224, 251.
9. *Op. cit.*, pp. 289ff
10. Wilhelm Schrameier, *Die deutsche Bodenreformbewegung* (Jena, 1912), p. 32.
11. Damaschke, *Zeitenwende* (Leipzig, 1925), pp. 369ff.
12. See above.
13. Flürscheim, *Not aus Überfluss* (Leipzig, 1909), p. 3.
14. "Notizen," *Jahrbuch der Bodenreform*, I, 1905, p. 240.
15. Adolf Damaschke, *Die Bodenreform: Der Weg zu sozialen Versöhnung* (Berlin, 1924), p. 24.
16. Freese, *Die Bodenreform*, pp. 260ff.
17. See below, p. 111.
18. Damaschke, *Zeitenwende*, p. 177.
19. Josef Wagenbach, *Deutscher Bodenreform Wille und Weg* (Gladbach, 1929), p. 11.
20. Damaschke, *Zeitenwende*, p. 293.
21. *Ibid.*, p. 261.
22. *Ibid.*, p. 178.
23. Freese, *Die Bodenreform*, p. 361fn.
24. *Ibid.*, p. 361.
25. Damaschke, *Die Bodenreform*, pp. 108ff.
26. Quoted from Max Liertz, *Adolf Damaschke und die deutsche Bodenreform* (Düsseldorf, 1948), p. 10.
27. Damaschke, *Die Bodenreform/Der Weg . . .*, p. 28.
28. Damaschke, *Zeitenwende*, p. 175.
29. Damaschke, *Aus meinem Leben*, p. 300.
30. Damaschke, *Zeitenwende*, p. 392.



31. Damaschke, *Aus meinem Leben*, p. 326.
32. This was disputed by only a few successors, such as Rudolph Schmidt, who wrote in 1949, *op. cit.*, p. 4: "Damaschke . . . in the 1890s began to study the slum problem and saw the importance of the land question. Independently of Henry George he arrived at conclusions similar to George's." And one of the oldest collaborators of Damaschke, Max Liertz, who knew nothing of Damaschke's fateful encounter with George's doctrine, commented about Damaschke, who supposedly knew already about the need for reform of the land law: "With a clear eye for the conditions and realities of life and for the character and spirit of the German people, he rejected Henry George's Single Tax theory as not appropriate for the German people." (*Op. cit.*, p. 6).
33. Heuss, *op. cit.*, p. 497.
34. Damaschke, *Aus meinem Leben*, p. 335.
35. Schrameier, *Die deutsche Bodenreformbewegung*, p. 11.
36. Freese, *Die Bodenreform*, p. 356ff.
37. *Op. cit.*, p. 360.
38. *Loc. cit.*
39. *Loc. cit.*
40. Damaschke, *Die Bodenreform*, p. 60.
41. Damaschke's speech "Henry George" is reprinted in *Berichte des Freien Deutschen Hochstiftes zu Frankfurt am Main*, N.F.XV (Frankfurt, 1899), pp. 179-199.
42. *Op. cit.*, p. 198.
43. *Op. cit.*, pp. 198ff.
44. Adolf Damaschke, "Eine Versuchung," *Jahrbuch der Bodenreform*, XXVI, 1930, pp. 251-256 (254); the author here describes a meeting with the American industrialist and Georgist Josef Fels (1854-1914), who supported with large sums the dissemination of George's ideas. He had offered, though unsuccessfully, to contribute 200,000 Marks annually to the Union of German Land Reformers, if it would champion the "pure teachings of George." (*Cf.* Arthur Power Dudden, *Joseph Fels and the single-tax movement*, (Philadelphia, 1971), pp. 215, 225).
45. Karl Schewe, "Angelsächsische Bodenreform und deutsche Kultur," *Jahrbuch der Bodenreform*, XXVI, 1930, pp. 235-251 (247).
46. Adolf Damaschke, *Geschichte der Nationalökonomie*, Vol. I, 13th ed. (Jena, 1922), p. 400.
47. *Op. cit.*, p. 333.
48. *Op. cit.*, Vol. II, pp. 316ff.; on the Georgist Congress in Chicago *cf.* C. A. Barker, *Henry George*, (New York, 1955), p. 588.
49. Damaschke, *Die Bodenreform*, pp. 304ff.
50. *Op. cit.*, p. 60.
51. Adolf Damaschke, "Besprechung von Karl Schewe, *Bodenreform und Bodenreformpartei in England*," *Jahrbuch der Bodenreform*, XXI, 1925, pp. 60-62.
52. Damaschke, "Zum Bodengesetz der Republik China vom 30. Juni 1930/Ein Gutachten," *Jahrbuch der Bodenreform*, XXVII, 1931, pp. 1-9 (2).
53. Quoted from Traugott Konstantin Oesterreich, "Die deutsche Philosophie des neunzehnten Jahrhunderts und der Gegenwart," *Friedrich Ueberwegs Grundriss der Geschichte der Philosophie*, Vol. IV, 13th ed. (Tübingen, 1951), p. 397.
54. Josef Dietzgen, *Sämtliche Schriften*, II (Wiesbaden, 1911), pp. 110-175.
55. Marcus Hitch, "Josef Dietzgen und Henry George," *Sozialistische Monatshefte*, 1908, Vol. II, p. 1078.
56. Damaschke, *Zeitenwende*, p. 258.
57. *Op. cit.*, p. 467.



58. Damaschke, *Aus meinem Leben*, p. 339.
59. Flürscheim, *Not aus Überfluss*, p. 3.
60. Damaschke, *Aus meinem Leben*, p. 339.
61. *Ibid.*, p. 341.
62. *Ibid.*, p. 339.
63. Damaschke, *Zeitenwende*, pp. 374ff.
64. Damaschke, "Henry George" (address), p. 193.
65. Hans Köppe, *Das Zuwachssteuergesetz vom 14. Februar 1911* (Munich, 1911), p. 5.
66. *Ibid.*, p. 14.
67. Wagenbach, *op. cit.*, p. 42.
68. Heinrich Erman, *Erbbaurecht und Kleinwohnungsbau* (Münster, 1907), p. III.
69. Damaschke, *Zeitenwende*, pp. 210ff.
70. Cf. Paul Jörs, Wolfgang Kunkel, *Römisches Privatrecht*, 3rd ed. (Berlin, 1949), Par. 90 (p. 152).
71. Josef Ring, "Verordnung des Reichs-Arbeitsamts über das Erbbaurecht vom 15. Januar 1919," *J. v. Staudingers Kommentar zum Bürgerlichen Gesetzbuch mit Einföhrungsgesetz und Nebengesetzen*, 11th ed., Vol. III, Part 1 (Berlin, 1956), pp. 864–1004 (867).
72. Damaschke, *Zeitenwende*, p. 212.
73. Ring, *op. cit.*, pp. 867ff.
74. Max Degenhart, "Erbbaurecht," *Palandt, Bürgerliches Gesetzbuch*, 30th ed. (Munich, 1971), pp. 997–1013 (997).
75. Heinrich Erman, *Die Bodenreform in der Reichsverfassung*, p. 3.
76. *Ibid.*, p. 3.
77. *Ibid.*, p. 7.
78. The Land Reformers' proposal went as follows: "The land together with its forces and treasures is to be placed under a law which prevents any misuse and which opens up to every German family the possibility to gain a homestead (own home with utility garden) or, in the case of professional training, an economic homestead (gardening or smallholder property), which will be secured for its continual usage. The land rent, *i.e.* the land yield which is created without the owner's labor or capital expenditures, is to be made available for the cultural projects of the community." (*op. cit.*, p. 9).
79. See note 78 above.
80. Fritz Baur, *Lehrbuch des Sachenrechts*, 4th ed. (Munich, 1968), p. 237.
81. Max Liertz, *op. cit.*, p. 5.

### ***The Use or Non-Use of Knowledge***

The body of economic knowledge is an essential element in the structure of human civilization. It rests with men whether they will make proper use of the rich treasure with which this knowledge provides them or whether they will leave it unused. But if they fail to take advantage of it and disregard its teachings and warnings, they will not annul economics, they will stamp out society and the human race."

LUDWIG VON MISES