

DENMARK—LAND AND PEOPLE

By Sophus Berthelsen

(Written specially for the Third International Conference to Promote the Taxation of Land Values and Free Trade and reprinted from the Conference Invittation and Programme of Proceedings.)



The Kingdom of Denmark covers an area of 16,600 square miles (one-sixth the area of Great Britain): Jutland 11,600 sq. m.; Zealand 2,900; Funen 1,350; and the other inhabited islands a total of about 750 sq. m.

The population in 1925 was about 3,400,000—750,000 in the metropolis; 750,000 in the 80 or so provincial towns; and 1,950,000 in the country districts—23 counties and about 1,800 parishes. Fully 1,000,000 were engaged in agriculture; 900,000 in handicraft and manufacture; 600,000 in trade and transport; 600,000 in various occupations; and 300,000 not classified.

Total value of real estate as on 1st January, 1924 (calculated in sterling) amounted to £698,540,000 (land value £281,189,000), the metropolis £198,213,000 (L.V. £70,268,000); provincial towns £135,200,000 (L.V. £39,785,000); country districts £365,130,000 (L.V. £171,136,000). General valuation took place in 1920 and 1923 and is being made in 1926.

Tax-revenues of the State in 1924 in million £ were: on real estate 0.54 (land value 0.38); incomes and personalty 6.81; legacies and stamp-duty 1.94; customs and consumption 10.92; fees 0.92.

Tax-revenues of the local authorities in 1923 were for the metropolis, the provincial towns and the country districts respectively (in million £): on real estate 0.81, 0.27, 4.16; income tax, 3.94, 3.62, 2.81. Totals: real estate 5.24; income tax 10.37.

In Denmark as in most other countries imposts on land (in money, in kind or in services) were originally the only or the main source of public revenue. Charges on the land were computed by the quality, the productive capacity or the situation of the land. The division of the land was broad-based on the equal rights of all to room for occupation and a homestead. The Danish peasant of olden time was the type of a *free man*. In the Middle Ages, kings and lords proceeded by force and fraud to carve out estates for themselves and to appropriate the land revenues over

wide areas. Still, bondage properly speaking has been the exception in Denmark. More than 90 per cent of the agricultural land has always been kept securely in the hands of the independent small-holding peasants. This is due to the good land laws of public spirited rulers. And a considerable portion of the rent of land until recent times flowed into the State and parish public treasuries.

This was generally the position right up to 1903 when public charges on the land were to a large extent remitted or reduced and replaced by taxes on buildings, incomes and industry. The price of land increased and mortgaging with it. The Law of 1903 was protested against by the smaller landholders (the *Housemen*) who in their Køge Resolution of November, 1902, took into Danish politics the demand for abolishing all taxes on labour, consumption and trade and substituting taxation on the value of all land both in town and country. Land Value Taxation has since been firmly insisted upon by the Housemen. In 1905 the policy was taken up by the Radical Liberal Party, and later by the Moderate Liberal and Social Democratic Parties. In 1922 these parties were united in carrying a uniform national land value tax of 1½ per mille (yield £387,000); and by the Law of 31st March, 1926, they gave effect to local land value taxation yielding £3,243,000 of the total local revenues, taxes on improvements being at the same time reduced.

The demand for a greater measure of Land Value Taxation to get rid of the remaining taxes on improvements, consumption (tariffs) and earnings of industry, etc., has the support of an ever-increasing majority of the people and has good prospects of being carried in the not distant future.

In the same way, and especially among those who work the land, there is a consensus of opinion in favour of an advance upon the moderate Free Trade policy that has been our practice since 1797, although the Tariff Laws of 1864 and 1908 went back on Free Trade to some extent. Most of the necessities of life have always been exempt from tariff and the three great democratic parties—especially the Social-Democratic Labour Government—have recently declared their determined opposition to the claims of the manufacturers for more protection.

On the foundation of this long-established Free Trade principle, as on our time-honoured land laws and our system of freehold and of public revenues borne by the land, Danish agriculture with its nexus of free co-operative societies has so developed its production in latter years that it has become an example to the whole world. This is true in respect not only of improved methods and excellence of the produce, but also of the average yield of land area for area. In 1925 our 1,600 dairies produced 308 million lb. of butter including 271 mill. lb. exported, value £35 mill. In 1924, 440 mill. lb. of bacon, value about £27 mill., were exported from

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the 50 slaughter-houses. Export of eggs : 1,600 mill., value £8 mill. Total agricultural exports, value about £81,000,000.

That high level has only been reached by working the land in smaller farms. Experience has proved that the smaller farm is more productive acre for acre than the larger. According to the Board of Agricultural Economics the gross yield and the *social product* (i.e., including taxes and other burdens and the amount representing wages for management and work done) were respectively as follows, reckoned in English measures :—

Farms up to 25 acres	543sh. and 289sh. per acre
25—50	414sh. „ 225sh. „
50—75	384sh. „ 214sh. „
75—115	350sh. „ 196sh. „
115—250	288sh. „ 159sh. „
over 250	252sh. „ 141sh. „

The total area devoted to agriculture is about 8,151,000 acres. There are about 205,000 holdings—44,000 under 7½ acres; 65,000 of 7½—25 acres; 25,000 of 25—37 acres; 43,000 of 37—75 acres; 23,000 of 75—150 acres; 4,000 of 150—300 acres; 900 of 300—590 acres; and 400 over 590 acres. Over 98 per cent of Danish farmers are freeholders, but the land is fairly heavily mortgaged, the money being loaned through a fully developed system of credit associations. The system has harmful secondary results which can, however, be overcome by a more thorough development of the Land Value Policy.

Of the 205,000 holdings about 2,000 are estates, 78,000 are farms and 125,000 are small holdings of the *Housemen*. Of the last named some 12,000 have been established by cheap State loans under the *older* Houseman's Law of 1899, while under the *new* Houseman's Law of 1919 about 3,000 have been added.

The *new* law affects (besides certain glebe lands) only such lands as by a law of same date were surrendered to the State as part of the policy of enfranchising the feudal and entailed estates. These lands were parcelled out for small holdings; they were not sold outright but are transferred to the new holders who pay an annual sum corresponding to the full land value as determined periodically by the general valuation made at the same time for all land. In other respects these holders are to be regarded as actual freeholders like all other Danish farmers.

Denmark is thus the typical small-holdings country whose economic and political strength rests not only on the overwhelming number of small independent peasant proprietors, but also on the superior efficiency and productivity of the small holding area for area, and on the economic self-reliance and intelligence of the individual cultivator.

It is therefore not at all surprising that it is the small holders as a class—although they are owners themselves—who have done most to promote the demand for Land Value Taxation. They have seen clearly enough that the Land Value Policy carried further will promote the further sub-division of the larger holdings and the creation of independent small holdings on fair terms. The result will be not only to prevent the migration of young men from the country to the towns and abroad, but also to open up to many unskilled workers in the towns the opportunity to get back to the land as small holders; the 30,000 market gardens and allotments around the towns bear witness to the eager and deeply-felt desire for land to cultivate. And in making such opportunity available we shall encourage a healthier development of the present labour and housing conditions in the towns which are a constant menace to society.

TRADE UNIONS, WAGES AND THE LAND

(By the Scottish Correspondent of the IRISH WEEKLY AND ULSTER EXAMINER, 1st May, 1926)

Amid the conflict of opinion regarding the coal industry points which emerge are the difference of outlook between the mine owners and the officials of the miners' organization on wages and hours.

The error in Trade Union circles has been that of regarding the wage problem solely from the standpoint of a particular trade instead of taking a wider outlook.

The propaganda policy ought to have been, not attempts at sectional wage-raising, but the raising of the wages of *all workers*, and do it in a way, if that is possible, so that the raising of wages would not add to prices, but be at the expense of rent.

If plenty of jobs were available, men would not flock into an industry where wage or other conditions are bad. For instance, thousands of agricultural labourers during the past fifty years have left farming because of low wages to become miners or railway workers.

If the agricultural labourers could have employed themselves on crofts of their own without fear of increased rental extortion, and were able to pocket the full fruits of their labour, coal or railway employment for the vast mass would have had no attraction.

What lowers wages in all industries is the presence in the country of an army of jobless men. The securing of either district or national minimum rate of wages under existing conditions, will add to prices.

A higher ideal to try and realize is to secure the worker not a wretched minimum wage but his full earnings.

There are 3,000,000 less people engaged in agricultural pursuits since 1870, and 4,600,000 acres of arable land have gone out of cultivation.

The tragic mistake of labour leaders is regarding the wage problem as merely a mining, a railway, or one of a particular trade union, and ignoring the relation of the land question to unemployment. The question of wages, like that of unemployment, is related to land and taxation.

Revise your Policy.—This is what most of the Labour and Trade Union Leaders will require to do. Wages must be regarded from a broad national outlook, not a trade one.

Raise Wages in all Industries ought to be the Slogan.—It is not possible to do this without first solving unemployment. Therefore the necessity arises to create economic effects which will force the offering of jobs to jobless men. And so we are back to the land question.

Will there be unemployment if the owners of the 4½ millions of idle tillage land, through the operation of high taxation of land values, have to put it to its fullest use? This tax will also open up dormant mineral resources, intensify the production of building materials and have other effects little dreamt of in the philosophy of the average Trade Union leader.

To sum up, the way to solve not merely mining, but other troubles is to make the "earth not a closed, but an open shop." It will be an open one when its owners have to seek users, and wages will rise to their fullest level—a man's earnings.

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