

Social Democrats and the Henry George Policy: The Political Victory in Denmark

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IN an address "Land and People," I delivered at the Third International Conference for Land Value Taxation and Free Trade in Copenhagen, July, 1926, I endeavored to bring to light the eternal laws of nature governing the true and just relationship between mankind and the land from which we must all derive our living. These are the laws Henry George revealed and explained. At the same time I pointed to the progress we had made in Denmark through our legislation (The Act of August 7th, 1922, for the national tax, and the Act of March 31st, 1926, for local taxation on land values) to give concrete expression to these eternal laws of justice.

In the three years that have passed since then, we have not been able in Denmark to make any further advance in legislation for the main reason that from December, 1926, to April, 1929, we have, unfortunately, had a so-called "Liberal" government which in association with the Conservative Party had actually planned to go back on such progress as we had made. But this period of reaction was also our opportunity to band together all the forces standing in Denmark for economic freedom and so build a united front against that quasi-Liberal government, which was defeated at the General Election on April 24th, 1929. The two victorious parties, the Social Democrats and the Radical Liberals, came back with a joint majority in *Folketinget* (the Lower House) and have formed the Coalition Government under Stauning and Nunch.

It is declared in the programme of the new Ministry that "The burden of taxation shall be shifted from labor and consumption and placed upon communally created values and upon incomes and possessions that are the fruit of other people's industry." The followers of Henry George in Denmark feel assured in the hope that this programme will in large degree be carried out by the Ministry in the next few years and that *Landstinget* (the upper House), even although the Ministry has a minority there of four votes, will not venture to hinder it.

These developments in Danish politics have no doubt excited some astonishment among the friends of our movement, especially abroad. But the feature of our political victory that will perhaps surprise them most is that the Social Democrats in particular—our Labor Party and the strongest party in the State—have so far embraced these ideas that they have resolved upon a political programme strongly marked with the Georgeist stamp. And as it is generally assumed, not without reason, that genuine "Marxian Socialism" cannot combine with "Georgeism," many will want to be told just why it is that the Danish

Social Democrats have deserted the Communistic Karl Marx to subscribe to Henry George's teaching on such vital points.

It seems to me to be of the greatest importance for the progress of our movement everywhere that this significant turn in political tactics should be fully apprehended. By way of explanation it is necessary to consider the special Danish conditions which have happily contributed to this great progress of our cause.

The high state of Danish agriculture, which is the economic foundation of the country, is due especially to the old-established and relatively good land-laws which for centuries have kept landlord rule at bay and have made for secure possession of the land by a numerous and fairly independent small peasantry, which has further increased in our time, so that in terms of "average good land" we have today:—

I. 2,000 estates of 200 acres or more.

II. 8,000 medium sized farms of 20 to 200 acres.

III. 150,000 small holdings of less than 20 acres, belonging to the class known as "Housemen."

Since the main products of Danish Agriculture are butter, bacon and eggs for export, Danish farmers were of necessity, and have always been, Free Traders. They have been brought up on Free Trade as Free Trade was understood and preached by such as William Gladstone and his Danish counterpart A. P. Koedt—namely, no protective tariff but "customs duties for revenue only."

As for Henry George's complete Free Trade, it was fortunately the most numerous class of small peasants, the Housemen, who first grasped and endorsed that teaching. And the first political declaration in favor of complete Free Trade was embodied in the now well-known "Koge Resolution" adopted by the Housemen on the 8th of November, 1902. Their demand was the abolition of all taxes on labor, consumption and exchange, the public revenue to be obtained from land value taxation alone.

The reason why it was this class of agriculturists who first saw and grasped, better than any, the truth in Henry George's teaching was certainly that a Houseman is not only a *land owner* but is also a *land worker*; and that in the latter capacity he has proved to the world the economic discovery that he can produce from his bit of land a better and greater return than the same area can yield by any other method of farming. In that practical demonstration he has refuted the dogma that political economists the world over (and Marxian Socialists in especial) have held to so firmly, not only in regard to industry but also in regard to agriculture; namely that large scale production will everywhere exterminate the small producer.

This dogma the Danish Houseman, through his own efficient labor and his cooperative society, has shown to be untenable in the sphere of agriculture: and by the same token the teaching of "collectivism" and "communism" as the "universal trend" has been put out of commission.

And without the individual Danish Houseman being exactly aware of the fact that he has effected a revolution in economic theories, his practical economic sense has brought him quickly to realize that his interest and that of his family and successors do not and could not lie in the increased price of land; but on the contrary, in the cheapening of land and its products through land value taxation substituted for all the present taxes that restrict production. He calls for "an equal duty on equal land value." Thus he was won over to the Henry George policy as it has been expounded to him during the past twenty-five years. The Houseman, claiming his ownership of the land (the substance), declared that he is *not* the owner of the *value* attaching to the land.

Meanwhile, by contrast, neither the Free Trade doctrines nor the teachings of Henry George gained any wide comprehension among the powerful Trade Unions in the towns. Of course, it did not escape notice that the Housemen in the Koge Resolution of 1902 did not demand any special privileges for their class, but demanded the repeal of Customs Duties in the interests of the whole people, that is in behalf also of the workers of the towns, who had been taught by their text-books and their Press that it was only through class conflict that workers can obtain the full return for their labor, the method being to take over the land and the means of production, as the Communists had continually proclaimed.

Some leaders among the Trade Unions tried to belittle the teachings of Henry George, others admitted only that it might bring the working people some advantages. But in the beginning they quite failed to see the possibility of raising wages in the labor market, not only by getting rid of all taxes on consumption but also through taxation of land values making access to land easier for the broadest and widest class, the unskilled agricultural laborers, whose wages and conditions determine the wages and condition of all others. The workers in the towns learned this truth later on from the Housemen, with whom in an agricultural country like Denmark they stood and stand in closer connection than in any other country; more especially because so many of the town workers have migrated into the towns only in recent years.

The Housemen repudiate the suggestion that the land, and the means of production, should be taken over by the State. On the contrary, they have shown by their own practical work that on the land they own themselves they can produce the best return for their labor; and also that on Danish land there are unlimited possibilities for the increase in population in the next hundred years to get full employment, with labor well rewarded, if the taxes on consumption are repealed and if the value of land is collected into the Public Treasury. This is the way permanently to solve the Labor question.

In place of the Socialistic and Communistic dogma that the land itself should be owned and controlled by the com-

munity, the Danish Housemen maintained that the land itself should remain in the hands of the individual as private property, but that the *value* of land be made the property of the community through every private owner paying into the Public Treasury the full yearly land value ascertained by correct and systematic valuation.

The Housemen, many of whom belong to the Social Democratic Party although not themselves Socialists, having made this principle their own and having embodied it in their defined programme for the last twenty-five years, the artisans in the towns came gradually to accept it, and their Press now announces the same truth loud and clear. At the same time, not only these two numerous classes of voters but also a large part of the middle classes in both town and country have been won over to it, so that we can contemplate a great political victory for a great idea, confirmed in the election of April, 1929, and in the explicit promise in the programme of the new Coalition Government. The growth of the sentiment for land value taxation to a political victory over Marxian Socialism, as briefly described here, has a significance that should be noted beyond the frontiers of our country. If I understand the matter aright we have won a victory, a peaceful victory, for Henry George's policy the world over, seeing that the truth in regard to the just relation between mankind and the land is universal and eternal.

This victory has been won not by any academic wrestling match between learned professors debating theories at universities, the war of words that has seldom brought ordinary people any benefit. It is due to the everyday practical work of simple honest-minded men, always asserting the right to the full reward of their labor and the equal right of all to the land values created by the community. Therefore we hope that the Danish Housemen's illuminating and pioneer work in this field, and the truth they have demonstrated, will be fully appreciated in every country where the followers of Henry George are carrying his ideas into practical operation.

Said the Red Man

THE way, and the only way, to check and stop the evil, is for all men to unite in claiming a common and equal right in the land, as it was at first, and should be yet; for it never was divided, but belongs to all for the use of each. That no party has a right to sell, even to each other, much less to strangers."

—Tecumseh, Indian Chief, 1810.

BENJAMIN FRANKLIN and Abraham Lincoln both thought in fundamentals. They would be just as much at home in our civilisation of today—just as valuable contributing members of our society—as they were in the age in which they lived. The truth they knew still persists. The truth we discover, know, and use sets our value in the world."—HENRY FORD