

HENRY GEORGEISM IN DENMARK : EXPERIENCES AND RESULTS

Address by Abel Brink

(At the Oxford International Conference on 15th August)

Looking through pages of history, one must acknowledge that land in Denmark always has been treated in a special way. It was not to be dealt with as another merchandise. In one of our most progressive times, from 1157 to 1241, the public burdens, especially national defence, were borne by the landlords in proportion to the extent of their holdings. Later, some of the biggest landlords got exemption from taxation, but they were still under the obligation to defend the country and to go on foreign service, when the king called. At that time, about 1231, King Waldemar Sejv gave us our first land valuation (doomsday book), of course not anything like our present valuation with exact measures of area and value, but still assessing in a crude way every landowner's duties towards the Crown as representative of the nation.

This period is known as one of the greatest in our history. The country got security against foreign enemies; architecture, art and economic life flourished. Many of our beautiful churches were built during the period. We got also our first poetry in the popular ditties, and agriculture rose to a height that was not surpassed till 550 years later.

Later on the nobility arose; they got their land freed from taxes, and began to repudiate their obligations in regard to defence and other public expenses. The church also secured great interest in land; but in 1536 when Protestantism won its victory, most of its land was confiscated and some part was granted to the nobility. Likewise the Crown appropriated so much land as to increase its holdings to about half the area of the country. This confiscation—the greatest of its kind in Denmark—was not made on behalf of the common people, but for the sake of the king and the nobility. The noblemen built at that time many of the great castles, which are still a standing witness to the toil the peasants had to perform for the landlords.

In 1688, the second great valuation of lands took place. Again in a crude way, areas were measured, and the quality of the soil was examined and put on record as a given number of "Tønder Hartkorn," being equivalent to so much hard grain (wheat, rye and barley) in which sorts of grain the peasants used to pay the ground-rent to the landlord. But really one "Tønde Hartkorn" means so much land of a certain quality. Based on that valuation, a land tax of about seven shillings per "Tønde Hartkorn" was levied. But one-sixth of the land, the best of it, and belonging to the nobility, escaped the tax entirely. The excuse was that the nobility had to be near the king to give him and his entourage the splendour suitable for his high position. Nor did the towns contribute very much to the king's treasury, despite the relatively high value of the land within their boundaries. The public revenues were mostly spent by the king on luxuries and the building of great palaces, so that social conditions among the people were far from ideal.

Certain useful and lasting land reforms began to be introduced in Denmark about the year 1769. High-minded aristocrats like A. P. Bernstorff and C. D. F. Rewentlow wished to improve the status of the peasants. The ideas of the Physiocrats permeated the air, and the French revolution raised the question of human rights. Conditions among the peasants were then much as they are now among the labourers. In order to retain his land, the peasant was compelled to work for the landlord, and he had to work hard. If he improved his farm, the landlord increased the rent. It is no wonder that many of the peasants became lazy drunkards. The first thing the land reformers did was to stop landlord evictions. The farms had always to be rented out to a family as such. It is owing partly to that Act (of 1769) that we have to-day

in Denmark so many independent farmers. In England, on the contrary, you had your enclosure acts, during and since that same period, with the result that vast numbers of peasants became landless and were thrown into wage-slavery and poverty.

Another beneficent law (in 1788) abolished villenage. It stopped arbitrary raising of rents and commuted compulsory labour for a fixed amount of money. Many of the tenants got their farms in ownership, and certain regulations were made to give tenants security in the fruits of their labour. The air of liberty from France gave us reduced tariffs and equal right to trade.

The taxation of real estate then came up for review. The valuation of 1688 did not correspond to the real value of the land. New cultivations, drainages, etc., had taken place, and there had been much technical progress. Revised valuations were undertaken and during the years 1805 to 1826 a splendid work was done. Every piece of land was surveyed where necessary, and was valued as to quality of the soil, which was divided into twenty-four classes. The amount of Hartkorn was then figured out; and according to that, most of the land taxes were assessed. Originally the plan was to value the land, but on account of the irregularity in the value of money, it was given up, and the valuation only gave the quality of the soil estimated in a given number of "Tønder Hartkorn." As a whole it was a satisfactory method considering the times. All taxes on real estate were assessed with the "Hartkorn" as the basis until 1903. The privileges of the lords of the manors were entirely abolished in 1850. So far then, we had equal tax upon equal land in the country districts. The land taxes and the tithes in 1903 amounted to about 80 crowns per "Tønde Hartkorn." They took about half of the ground rent (of agricultural lands), and it is a fact that our agriculture in the 'eighties and 'nineties, with that system of taxation in operation and under Free Trade made great strides. It established a name for itself, not least so here in England. The fault of the system was that urban site values were outside its scope. The growth of our cities, particularly of Copenhagen, created great land values, that almost entirely went into private pockets. My co-worker, Mr. K. J. Kristensen, has shown in an official report on housing, that the rise in land value of an area of 760 acres in Valby, a suburb to Copenhagen, since the previous sale of the land, has been about 18 million crowns—say £750,000. The population in our towns and cities from 1880 to 1916 has risen from 552,000 to 1,411,000; you can realize that land values have risen enormously. Land values of at least 1,000 million crowns has during that period passed into private hands.

In 1903, the land tax based on "Hartkorn" was entirely abolished and a tax on land and improvements was imposed. Single Taxers, especially Mr. S. Berthelsen, protested against this change, as it was in fact a gift to the landowners in the country. Since that time—I am sorry to say, it was when our first popular government was in power—our tax-system has gone from bad to worse. We have repeatedly increased the taxes on income and on general consumption. When a man built a house or a barn, he was taxed higher; when he tried to improve his condition by cultivating his land better, he was taxed higher; and when he had a big family—many children—he was compelled to pay all the more in indirect taxation. The land speculator, on the contrary, who does nothing and prevents his fellows from doing anything, paid nothing worth mentioning.

This reactionary fiscal and financial policy brought the Henry George movement into the open. In 1902 the Henry George Union was formed, and Jacob E. Lange, S. Berthelsen, Prof. Starcke, Mr. and Mrs. Bjørner, Mr. Brande, Dr. Villads Christensen, Mr. Folke, Mr. Larsen, and many others, have done good educational work. Later came the help of Joseph Fels, who brought the campaigners in Denmark more power and life.

In 1902 the smallholders (really the Husmaend or Housemen) in the island of Zealand met at K ge and adopted their epoch-making resolution which has dominated their political activity ever since. The main planks of the resolution were the abolition of the tariff, the Taxation of Land Values and the exemption of improvements from taxation. The watchword is: Equal tax on equal land, and that includes both national and local taxes on real estate. The smallholders' organizations have about 100,000 members.

The House-Tenants' Association have demanded the Taxation of Land Values at several of their Conferences and urge it as a means to stimulate building activity. Their membership is about 50,000.

While the two organizations just named cannot be regarded as Single Tax bodies, there are others, formed in recent years, that must be mentioned as such, namely: the Christian Social League and the League for Justice or "Retsforbundet." The latter has decided to form an independent political party, having just secured the necessary 10,000 signatures which (in Denmark) are necessary for that purpose.

In regard to practical legislation, the Danish Single Taxers first aimed to get a valuation of land apart from improvements in or on the land. The professors in Political Economy told us that was not possible, and the land-monopolist, already sensing a land-value tax, protested. In spite of that, the land valuation was made (experimentally) in 1916 and again in 1920; and now in 1923 we are at work on our third general valuation of the land with the view to the levy of a tax on land value. The market value, its selling value in the open market, is the basis of the valuation. For agricultural land, the criterion is the value of the land on the assumption that it belongs to a medium-sized farm of about 60 acres and in average condition. The land is to be valued by that measure, whether it belongs to a small holding or a big farm and in spite of the fact that a small piece of land has generally speaking a higher price per acre than a large piece. Building lands are valued according to their market value.

The 1923 Land Valuation, to be revised periodically in 1926 and thereafter every five years, is being made under the provisions of the law of 7th August, 1922, which levies a national land-value tax on all land in Denmark at the equal rate of 1½ per 1,000—equivalent to about one-third of a penny in the £. At the same time, some part of the existing taxes on improvements is abolished. Although this land-value tax is very small and cannot be expected to have any material social effect (its importance to us is that it makes a beginning on right lines and establishes once for all the new machinery for radical tax reform), the big landowners in the cities have protested vigorously against it. They would take anything else; but a land-value tax is anathema. In 1923, also, a measure for local taxation of land values was adopted in respect of all poorer lands covered with trees, mostly pine woods. The Conservatives denounced the measure just because the word land-value tax ("grundskyld") was mentioned in the Bill.

In the law of 10th April, 1919, it was enacted that public lands belonging to the feudal manors were to be partitioned to new land-holders for an annual rent to be fixed by periodical valuation. The State gets the ground rent, and no money requires to be borrowed to buy land. By that law some 2,000 small farms have been established during the period 1920 to 1923. Besides that, a great number of occupiers have got additional land upon the same terms. The small holdings are therefore big enough for a family to make a living upon them. It is a great pleasure to see the many new homes being built upon what were formerly the big expanses of feudal lands. The quality of the soil is good, and most of the new farmers are certainly going to succeed.

Social conditions in Denmark took a serious turn after the great war. Speculation was rife in lands, merchandize

and stocks. Prices were inflated to enormous heights. It was not possible to start any new line of business. When the war demand subsided in 1920, grave unemployment resulted. And then the price of everything tumbled down, just as happened in this country. But then we found it possible to get industry on its feet to some extent. I do not want to say that our land reforms had a great deal to do with that economic improvement, but I think, they have been helpful. In those parishes where a big farm is to be parcelled out in many small farms, and many new houses are to be built, they know of no unemployment. In June, 1921, we had 16·8 per cent. of organized workers unemployed; in 1922 the proportion was 13·2 per cent., and in 1923 it was 8·1 per cent. Wages, which were going downwards, especially out in the country, where the trade unions are weak, are now slowly again going up. Still the high taxes upon industry together with land monopoly are to a great extent keeping men out of work. It is therefore of the greatest importance to continue our reform work.

The next issue in Danish politics is the Taxation of Land Values for local purposes. The late Radical Government framed a Bill permitting the townships and the counties to take up to 2 per cent. of land value in local taxation, and to abolish all taxation of improvements. The Bill was not proceeded with; but if it had been carried into law, it would have given the Single Tax movement great possibilities, even enabling the local governing authorities also to sweep away the local taxes on income, which are now a great burden upon the hard-working man and woman.

The present moderate government has promised to introduce a Bill for the Local Taxation of Land Value, but the Bill has not yet come before Parliament. A draft of the measure has been sent to the Town Councils and the Township Boards for their opinion and advice. In general it may be said that these authorities show some interest in the question. Several of the Town Councils, including those of the biggest towns, such as Copenhagen, Randers, Kolding and Holbaek, have declared that they wish to see legislation to give effect to land value taxation in place of other local taxes.

The work of agitation and education is now so far progressed that the work of realization can begin. We who are younger in the movement are thankful for the great work the elder workers have done. I will not mention names, the list would be too long if it were to comprise all who have been and are faithful to our cause. We wish to emulate them and to work on until our ideal is reached—the publicly created land values to the community and the abolition of all taxes.

In an interview reported in the DAILY NEWS (17th September), Mr. J. Hill, headmaster of the Islington Day Continuation School, remarked that: "At the end of a debate on land nationalization in my own school recently, when the arguments were being summed up, a boy said:

"'Sir, can you deny that God gave the land to the people? If you cannot, then it is ours, in spite of anything you may say.'

"The Victorian boy was told to be seen and not heard; he was 'brought up.' Now the boy brings up his parents."

The question is, what answer did Mr. Hill himself make to this poser?

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The Health Ministry has sent a letter to the Limehouse Guardians assenting to the closing of the Board's workhouse and infirmary at Bromley-by-Bow. One of the reasons which led the board to seek permission to close the premises lay in the fact that they are paying £3,500 per annum to the Poplar Borough Council in rates in respect of the building, which stands in Poplar.—THE STAR, 20th August.

Such is the wonderful ingenuity of the English rating system.