

## DANISH SMALLHOLDINGS ON THE LAND-RENT BASIS

During the week of the International Conference in Odense two excursions were made into the countryside. Most instructive was the visit to Nislev where members were able to inspect one of the typical smallholdings colonies that have been established under provisions of the Acts of October, 1919. By those Acts, the entail in Denmark was abolished. In return for acquiring the fee-simple, the enfranchised landowners had to pay into a "land fund" a special levy of 20 to 25 per cent of the value of their property, and in addition they had to surrender (against assessed compensation paid out of the land fund) a one-third part of the estate, which might or might not be one-third of the area, since the measurement was according to the old established hartkorn assessment of natural fertility. By these Acts a large part of the Church glebe lands also were taken over.

The land thus released was made available for the creation or the enlargement of smallholdings. It amounted altogether to 95,400 acres out of which 7,500 new smallholdings spread generally over the country have been created. In all, there exist in Denmark some 111,000 holdings which can be classed as "small" as distinct from larger holdings classed as "farms." But it is with the smallholdings that come under the dispensation of the 1919 Acts that we are dealing, and those that were created from the estate of *Nislevgaard* belong to that category.

The chief matter of interest, and the feature which makes them quite distinctive, is the tenure of the land in the case of those particular holdings. The land is held from the State on the condition that the holder pays the State a rent for the land, originally at the rate of  $4\frac{1}{2}$  per cent but later at 4 per cent of the assessed capital value—that is, the capital value of the land apart from buildings and improvements. The assessed capital value is whatever it is shown to be at each general periodic valuation of land over the whole of Denmark. There is no term to the tenure. It continues as long as the holder continues to pay the rent, as assessed. The buildings and improvements are the property of the holder. Moreover the title to the land is his. In all respects, save for the payment of this rent to the State, he is in the same position as a freeholder; and if he sells the property it is with the obligation on the buyer to pay the land rent. The rent itself goes not to the Treasury for public revenue but to the "land fund" which is administered by a special "Land Law Committee" charged with using its revenue for the acquisition of land for the purpose of creating more smallholdings; and these again are held on the same terms as those just described. From the "land fund" also, loans are provided for building construction and equipment of new holdings. Irrespective of the rent they have to pay, these land holders are subject to the same taxes as are based on all land, and on the assessment of its selling value.

At *Nislevgaard* there are 46 holdings, average size of which is 12 acres. As indicating the "demand for land" it is interesting to note from the descriptive booklet, celebrating the 25th anniversary of the colony, that there were 160 applicants; of these 80 were approved as fully qualified, but no more than the 46 holdings were available in that area.

Before the visitors proceeded on their tour they were welcomed by Mr. Kr. Lindström, a leader of the local smallholders. He said, "Here in this colony, as in similar sub-divisions of land in other parts of our country, one has an example of how the people's moral and equal right to the land can be asserted, and asserted in such manner that each individual holder retains his full independence and free right of disposition, at the same time that the community receives that to which it has the right. The land tenure conditions in our smallholding colonies have the stamp of Henry George's ideas. The land is handed over without any purchase sum, but with the obligation that we pay rent for the land in proportion to its value, as that value is assessed at each periodic valuation, which takes place every fifth year. To-day the land of these holdings is valued (assessed selling value) at something like 2,000 crowns per hectare (say 442 per acre) that is to say about 12,000 to 14,000 crowns per property. Normally the rental is  $4\frac{1}{2}$  per cent of that sum, but for new holdings now being established it is generally 4 per cent. In addition to that land rent, we have to pay, like all other proprietors, the land value taxation which is part of our taxation system. Taking together the land value tax to the State, to the county and to the parish, and the land rent, our outgoings amount to some 9.3 per cent of the capital land value. It is sometimes said that we are already paying more than the full land rent, since the rent should not exceed 4 to 5 per cent of the capital land value. But the reply is that the assessment to-day on which all is based, is the *net* selling value, the 'market value' subject to the burdens that are on the land. If we were to imagine that the land value taxation which now rests on the land were remitted and no taxation took its place to affect selling value, it could be presumed that the value of the land would rise by an amount corresponding to the land value taxes capitalised. Instead of having to pay 9.3 per cent in land value tax and land rent, we, here in this colony, would be paying  $4\frac{1}{2}$  per cent on a valuation that would probably be twice as high as it is now. And we would be paying the 'full annual value'; in any case, not more."

Mr. Lindström said they had been honoured by the visit of such an international delegation. He recalled the visit 26 years ago of similar character, the colony then just started, when the late Jakob E. Lange came with many of the members who had been attending the Third International Conference in Copenhagen, 1926. What struck the visitors now seeing all the developments was the obvious well-being of those smallholders in their homesteads, how they had caused the land to flourish by their personal care and intensive cultivation, aided by the wonderfully developed co-operative marketing, but, above all, blessed with a wise and just land tenure system.

---

**Tributo Al Nobla Geniuo.** By F. R. Jones. Newly published Esperanto book. Includes a brief life of Henry George; Tolstoy's striking last writing; speeches delivered by eminent men of diverse creeds at the funeral of Henry George and a brief summary of George's reform with details of its present application throughout the world. Beautifully produced, 64 pages. 4s. 3d. post free.