

Danish Agrarian and Social Evolution and the Influence of Henry George's Ideas thereon

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The life of a people has deep-running roots. This also holds true of the economic and social conditions of a country. In order fully to understand even the most modern phenomena it is not sufficient to bring them into full daylight; also their background must be elucidated. This is seen very clearly when modern Danish agrarian development is considered. Even if the present comparatively high status of agriculture in Denmark may be said to be of recent origin, it is the result of an evolution the basis of which was laid centuries ago in the history of the people. This fact is prominently brought to light when comparing Danish agrarian history with that of the surrounding countries.

(I.) *The Danish peasant farmer was never deprived of his land.* Even in "the dark age" (the seventeenth and eighteenth century) ancient law (strictly upheld by the absolute monarchs as far as their power reached) forbade any attempts by the nobility (the landlords) to deprive the peasantry of their farms. True the peasant-farmer had to give up proprietorship and become a tenant under the landlord. And being tied to the property by a kind of villeinage, and thus unable to extricate himself from the jurisdiction of the lord of the manor he was in the worst period reduced to a status of semi-serfdom. Still he never lost the land. Even if he had to take it at the hand of the lord (as life tenant), the lord on the other hand could not take it from him. The *Land*, in fact, belonged to the peasant-farmer, the *rent* only to the landlord.

Life-tenure (which in most cases spelt family tenure, often for centuries) was the only way in which the landlord could dispose of the farms of the village which he "owned." He could not let them on short terms. If he was unable to find a suitable tenant for any of the farms, he himself was responsible for the often heavy rates and land-dues. But he was not permitted to cultivate the land himself or by bailiff, still less to pull down the farmhouses and transform entire villages into large manorial farms, sheep runs or hunting grounds.

Not only the laws of the land for the protection of the peasants' home farms prevented this. We also had a well-defined system of land-dues (a kind of agrarian land values taxation) which never was allowed to dwindle down like the ancient English land-dues, but which on the contrary, at times, would absorb almost half of the net rent to be obtained from the peasant-farmers and which would fall back on the landlord in case he could find no tenant or wanted the land to lie waste as a hunting ground.

(II.) Shortly after the middle of the 18th century more favourable commercial conditions for agriculture induced some of the leading landlords to modernize and intensify agriculture on their manorial farms. But under existing conditions this only made matters worse for the peasant-farmer, because it tempted the landlords to increase their claims on the farmers, especially by demanding more than the customary "soccage" (work done by the farmer and his hands on the manorial farm in lieu of money-rent), thus often causing the farmers to neglect their own agriculture. But fortunately, instead of leading to the ruin of peasant-farming and the peasantry, it opened the eyes of the more far-seeing and public-spirited statesmen of the

time to the danger inherent in the whole system. Under the influence of physiocratic ideas the great peasant-liberation legislation was set on foot.

By these Acts of 1788 not only was soccage brought down to its customary height and arrangement made for its conversion into a fixed rent-charge, but villeinage was abolished and the peasants were given an opportunity to convert on rather easy terms their life-tenure into copyhold or peasant-proprietorship. About the same time the *Commons* were disposed of, not as in England by acts of enclosure which practically gave the commons to the landlords, but by a careful proportional division among all the home-owners, who each got his strip of woodland, bog, or meadow, as a substitute for the former right to use the commons. This was a very important step because it ensured—to a certain extent—access to the land even to those who had no part in the original village-acres.

(III.) Although the seven years' war with Britain (1807-14) and the agrarian crisis after the end of the Napoleonic wars almost brought the State to the verge of bankruptcy, and many of the farmers, big and small, to ruin, the liberated peasantry, as a whole, strode slowly but steadily forward. However, real prosperity could not be expected under existing conditions. But the abolition of the corn laws in England, in the time of Robert Peel and Richard Cobden, was a godsend to our farmers, who thus by a single stroke were given access to the world markets on free trade lines, an opportunity of which they were rather quick to take advantage by going in for fundamental improvements of their farmland and products.

Thus the former subjugated and poor peasantry was transformed into a fairly well-to-do farming population which in the course of the two generations, from 1820-80, became peasant-proprietors.

(IV.) However, a new agrarian problem had gradually arisen. The population was growing fast. There was hardly any outlet for it in the towns which were small and without any industry in a modern sense. A landless or quasi-landless class of "housemen" was the result of this, which were entirely or mainly dependent on their work as agricultural labourers, even if a few acres were attached to their homesteads—which they were obliged to cultivate on Sundays and at night after a heavy day's work for others.

Only as crofters on the heaths in the poorest parts of the country, or on the prairies of far away America, could they find land without which their daily life and work was without any prospect. And those who had some land were almost worse off than the entirely landless. Their acres were too narrow to support a family in anything but sheer poverty. They were *tied* to the land more than *supported* by it. They could not leave their masters without losing the land, and on the other hand could not cultivate it properly in their scanty spare-time.

(V.) The agrarian crisis in the eighteen eighties, which by Germany was met by a renewed corn law policy aiming at artificially raising the price of corn, etc., in the interests of the landed proprietors, was in Denmark warded off under free trade conditions by fundamentally altering our farming, from old-fashioned cultivation of corn for sale, to modern dairy-farming. The peasant-farmers who had gradually become the leading feature in Danish agriculture did not wish (like the big landowners) to follow the example set by Bismarck in Germany of uniting the landowning interest and the industrial magnates in supporting his new protective policy. They succeeded in building up their new dairy-farming on a broad basis of co-operation on strictly democratic lines.

Here was a new opening for the "house man" or small-holder! When his few gallons of milk could command the same price per gallon as the big quantities from the large proprietor, when there was practically no limit to the number of pigs he could raise and sell, through the Co-operative Society on the English market and when his vote counted for as much at the general meeting of the butter-factory as that of his big neighbour, new vistas opened up to him—if only he had the land, that minimum of land necessary for him to go on, and a fair prospect of a strip more for his sons.

Under these conditions the land question, to this broad class of "landless farmers," became *the* question. The new smallholder organizations which rapidly sprung up in the decades after 1890 naturally first of all demanded legislation for a sub-division of land for the benefit of the hitherto land-poor or landless. But they did not limit their demands to such short-sighted class legislation. About 1890 the ideas of Henry George had been introduced in Denmark.

(VI.) Free trade came natural to a farming population which had just entered upon agricultural reforms based on free trade. But it was for the smallholder to grasp the fundamental idea of *the equal rights to the land* realized through *nationalization of the rent* by means of land-dues (land values taxation).

Land-dues we had from of old as the basis of our rating and taxing system. But while the landed aristocracy and the larger peasant proprietors wanted to abolish these land-dues, the leaders of the smallholders, inspired by Henry George's ideas, clearly perceived that it was by extending and rationalizing our land-dues to an all-comprising land values taxation that access to the land could lastingly and naturally be secured for the people at large.

Such a policy would induce or force the incapable or unprogressive large farmer to sell. It would kill land speculation. It would fall lightly on the thrifty smallholder whose improvements and buildings would be untaxed and bring land into the market at prices which would facilitate sub-division. As early as 1902 to 1910 a fully developed political programme of free trade and land values taxation was set on foot by the national organization of smallholders.

You will learn from other sources at this Conference how far these demands have been realized in Danish legislation, and what is the outlook for further steps along these lines. No very radical strides are to be expected but the fact that the rather strong majority, now in power, of the allied Radical-Liberal and Social-Democratic Parties are fully agreed on extending and rationalizing our land-dues, in town and country, combined with a special additional tax on increments, gives us a fair prospect of important progressive legislative steps in a comparatively early future.

But I must say a few words about another feature of the Danish land-policy which had been developing in recent years under the direct influence of Henry George's ideas.

(VII.) The landed aristocracy, even after selling out (in the 19th century) their interest in the property of their former tenant-peasants, possessed large and valuable tracts of land of the best quality. These lordly properties, often comprising as many as 10 large farms, many thousand acres of land, were held together for the benefit of the noble families by a system of entails dating back to the beginning of the 18th century. Entailing was stopped by the constitution of 1849, but what compensation was to be paid by the estate-owning families for the protection rendered to them by the State during two centuries, and for having the land given over to them now as free and saleable

property, had not been settled and had been in dispute in Parliament for 70 years.

However, under the influence of the Georgeist smallholders demand for fuller access to land, the problem was taken up anew, resulting in an Act (of 1919) providing for the lifting of the entail, conditioned upon the estate-owning families rendering to the State about one-quarter of the total value of the entire entailed property (including entailed capital derived from the sale to the former tenant-farmers of their farms). This land and money was to be used for sub-division purposes, and to facilitate the establishing of new settlements of smallholders on the former manorial farm land.

But we did not ask the State to take land from one family in order to give it to other families. We did not wish to perpetuate *any* land-owning privileges. Consequently the law of 1919 which put the land at the disposal of the State for sub-division, does not treat the land as something to be given over *in freehold* to the future smallholders. True, the "State smallholder" becomes a *proprietor*, who can, within reasonable limits—do whatever he pleases with his land, leave it to his son, or even sell the property to another man who undertakes to work it. But the *interest on the capital value of the bare land, the economic rent*, has to be paid for ever to the State by whoever holds the title. The money advanced by the State for *building purposes* to the new settlers naturally is to be paid back (in long instalments), but the *rent* is a *perpetual* charge on the land, but not a *fixed* one.

The land in Denmark is valued every fifth year for taxation purposes (the land-dues). When ever this general valuation takes place the rent-charge of the State smallholder is automatically regulated (being $4\frac{1}{2}$ per cent of the capital value of the bare land). Thus the smallholder, while having absolute security, and practically no taxes to pay on his buildings and improvements, is not a rent owner and can never become a land speculator. By the payment of the economic rent, land can always be got on application by any deserving and well-equipped young man with a minimum of personally owned capital (say £100).

(VIII.) All democratic politicians (Labour and Liberal) are agreed on extending this system in every way. And by increasing the general land-dues (land values rating and taxation), untaxing buildings and realizing our free trade programme gradually we intend to make all landowners rent-payers to the State.

Thus in a country of great sub-division of land and extended peasant-proprietory, we hope to realize the fundamental ideas of Henry George: For the individual citizen, *absolute security of possession*, and for the State the right to the community-created rent; or, in other words: The *land* to the *man* (who uses it), the *land value* to the *people* who create it.

This we hope to realize, not for the people, but by the people: not only the landless masses but the great host of homestead-owners and peasant proprietors.

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To show to the world at large the workability of this Georgian system in an agrarian peasant-population in a progressive State is to us Danes the great task of the present time and the future. And we Georgeites, few as we are and without apparent influence, are proud of having been an instrument in starting this important movement by spreading the light in low places: in the mind of the common man who in a democratic age will have to create his own future—and that of the world.