

Seventh International Conference to
Promote Land-Value Taxation and
Free Trade, Swanwick, Derbyshire,
England—14th to 21st August, 1949.

No. 17

The History of Land-Taxation in Denmark

By The Hon. Viggo Starcke

Member of the Danish Parliament.

The practice of land-taxation is very old in Denmark and is deeply rooted in our history. In my opinion the solution of the land question in every country should be made the National Question. The value of the Fatherland shall belong to the People—to whom else? The question of Free Trade should be made the common human and International Question, because the bands of common interests in trade over the borders will knit peoples more closely than coalitions and pacts.

In the Danish House of Commons six Parties are represented: Social Democrats, Radicals, Conservatives, Liberals, Communists (I regret to say)—and Georgeists, I am proud to say.

In 1945 there were only two Georgeists in the House.

At the last General Election in 1947 the Communists were halved from 18 to 9. The Georgeists were doubled from 3 to 6. Their votes over the whole country increased by 150 per cent., and in the metropolis by 400 per cent. It was done without the aid of the Press and without money. In the attempts to establish a new Government the situation was very complicated. At last representatives from the Social Democrats and the Radicals, who represented 67 members, came to me saying that the only possibility was to form a Government of those two parties and the Georgeists. Twenty minutes later, representatives from the Liberals and the Conservatives, who represented 66 members, came to me saying that the only possibility was to form a Government of Liberals, Conservatives and Georgeists. There we stood at the centre of events.

We declared that we demanded a Commission to settle down to the task of investigating the problem how to carry out the full Land-Value Taxation with abolition of at least an equivalent amount of existing taxation (on industry)—and besides a rapid removal of restrictions on trade and consumption. The Social

Democrats and the Radicals were willing to accept the Land-Value Taxation Commission, but were not for the moment in favour of abolishing the restrictions. The Liberals and Conservatives were willing to consider the abolition of restrictions, but they were not in favour of setting up the Land-Value Taxation Commission. The result was that we got a Social Democratic Government which set up the first Commission in the world for examining the *full* taxation of land values, and now every Party in our Parliament is looking favourably on the abolition of restrictions.

The Commission is working hard and it is hoped that a result will appear in a year or so. We have broken down the barriers of silence. We have passed the period of being ridiculed. We have reached the period of public respect for ourselves and the beginning of influence and importance. That was a step forward after the second World War.

After the first World War we got the famous land-value legislation of 1919, 1922, 1924 and 1926. It is the foundation on which we are building further.

After the German war on Denmark in 1864, which we fought alone, the war expenditure was partly met by a land-tax, the War Hartkorn Tax.

During the war with Germany in 1848, which also we fought alone, a land tax was imposed on 5th May, 1848, in such a way that the landowners had to pay, but were allowed to reduce the interest payable to mortgagees so that the latter had to pay their due share of the tax.

Four years before that, the great land-tax measure of 1844 was carried, with the result that in the middle of the nineteenth century more than half of all taxation was land-tax or Single Tax in the form of the Hartkorn Tax.

In 1813, after the Napoleonic War, the great bankruptcy of the State was overcome by the imposition of a first mortgage on the landowners at a $6\frac{1}{2}$ per cent. rate of interest.

After the Battle of Copenhagen with Admiral Nelson in 1801, the State Minister, Christian Reventlow, paid the bill of expense with a land-tax (1st October, 1802) on all land in Denmark, including also the privileged land of the nobility.

Two years later, in 1804, Reventlow and his officials sent a written proposal to the King:—

“Even in the same province, land of the same goodness is of much higher value near the greater towns and in densely populated areas than far from town and in less populated areas. We therefore think it more just to assess the Hartkorn Tax according to the total value of the land, because that shows best how much the land can yield in money; and on this value of possibility of profit, and not on the quantity of farm land, taxes could fairly be paid by all.”

This is the idea of Henry George, seventy-five years before *Progress and Poverty* was written. In the same years Denmark, as the first country in Europe, adopted Free Trade in 1797, fifty years before the United Kingdom. We did it in one single law. It required more than a thousand resolutions in the British Parliament to arrive at the same amount of Free Trade as Denmark already enjoyed.

After the great wars between Sweden and Denmark in the 18th and 17th centuries, land-taxes were also imposed. In 1685 we got the valuation and registration of all land values under the leadership of Professor Dinesen, and in Copenhagen of the famous astronomer, Ole Remer.

The important land-taxation in the form of Hartkorn Tax, which the Liberals abolished in 1903, can be traced back to the great statesman, Hannibal Sehested in the years between 1660 and 1664 when he restored the finances of Denmark after the disastrous Swedish wars. The great Danish scholar, Professor Fridericia, says: "This valuation was the first attempt, in this way, since the days of the Valdemar Kings," who reigned from the middle of the 12th to the middle of the 13th century.

We know that under King Valdemar the Great, who was born a hundred years after the death of King Canute the Great, a Single Tax was actually in operation. We know that under his son, who died in 1241, Single Tax was the main revenue of the State. Historians have come to the conclusion that, by this tax, practically speaking, the whole value of the land was gathered into the iron-clad chest of the Exchequer. The single-tax was closely connected with military service. The country was rich and happy and Denmark in those days was a Great Power in Northern Europe. Poetry and literature flourished and in a hundred years the people built 2,000 churches—without any State subsidy.

Historians have established that the system of valuation and taxation rested on still older laws and some of them hold the opinion that the old valuation in bol (hide) must go back to the Viking times of King Svend Forkbeard. In my opinion, the laws are still older.

If we look at the results that English scholars have described from their examination of the old Danish-colonised areas of England, the eastern and northern parts of the country, we reach very interesting conclusions. In the years about 860 and 870 three-quarters of England was conquered by the sons of the Danish King Regner Lodbrog. They settled on the land so densely that still thousands of place names in England are of Danish origin—for example, Derby, Swanwick, and "The Hayes."

The Danish colonisers divided the land, not in great baronies or manor houses, but in a great amount of smallholdings, where the warriors of the Viking armies settled down as free, independent, self-supporting peasants who would not suffer any form of

seignorial control or customary labour. They would not pay taxes, except one—an old custom they had brought with them from their homeland: the duty to pay taxes on their land.

When after the death of Canute, King Harold Godwinson made his brother, Toste Godwinson, Earl over the Danes in Northumberland; Earl Toste was about to try to set aside Canute's laws and impose taxes. But the Danes opposed this unanimously and gave this reply: "We are born free and brought up as free men. We will not tolerate any domineering and proud chieftain. We have learned from our fathers to live as free men or to die."

In his wonderful Raleigh Lecture before the British Academy, "The Danes in England," Professor Stenton deals mainly with the land policy of the Danes. The traces of their colonising are strongest in Northumberland, East Anglia and in the Midlands around five old Danish towns: Lincoln, Derby, Nottingham, Stamford and Leicester. Their love of personal freedom, their old customs of law and government, deeply influenced English democracy and enterprise. The investigations of Professor Maitland and Vinogradoff have shown that in the Danelaw the free peasant was the normal and the serf the exception. In the Old Celtic and Anglo-Saxon parts of the country the opposite was the case. This gives the explanation of the Danish conquest of England under Svend Forkbeard. The Danish districts aided the Danes; the old western parts of the country had not the power of resistance through lack of freedom and an independent peasant class.

Curiously enough, the exploitation of England by the great Viking hosts was enforced through a land-tax, the Danegeld. When Svend and Canute were England's kings, they reformed English taxation and finance by building on this Danegeld so as to transform it into a permanent Single Tax.

Concerning the Danegeld and William the Conqueror's great land valuation of 1086—the Domesday Book—Professor Trevelyan says: "The Danegeld holds indeed a great place in our social, financial and administrative history. Direct taxation began in this ignominious form. Under the weak Ethelred it was the normal way of buying off the Danes. Under the strong Canute it became a war tax for the defence of the realm. Under William the Conqueror its levy was regarded as so important a source of revenue that the first great inquisition into landed property was made with this end in view. Domesday Book was originally drawn up for the purpose of teaching the State how to levy Danegeld."

Professor Green says of this: "They were, in fact, the first forms of that land tax which constituted the most important element in the national revenue, from the days of Ethelred to the days of the Georges. As a national tax levied by the Witan of all England, this tax brought home the national idea as it had never been brought home before. . . . The establishment of a land tax had been attributed in popular fancy to the need of paying

Danish tribute, as its name of Danegeld shows. But its continuance from this moment, whether Danes were in the land or not, shows that the need of meeting their demands had only forced to the front a financial measure which had become inevitable, and which was necessarily carried on under Ethelred's successors. The land-tax thus imposed formed the chief resource of the Crown till the time of the Angevins; and though the taxation of personalty was introduced by Henry II, the land-tax still remained the main basis of English finance till the beginning of the eighteenth century. Its direct effects from the first in furnishing the Crown with a large and continuous revenue, gave a new strength to the monarchy, while its universal levy on every hide in the realm must have strengthened the national feeling."

In one of his speeches in the House of Commons, Richard Cobden refers to the old times: "The only peculiar State burden borne by the land was the Land Tax. . . . For a period of 150 years after the Norman conquest, the whole of the revenue of the country was derived from the land. During the next 150 years it yielded nineteen-twentieths of the revenue. For the next century down to the reign of Richard III it was nine-tenths. During the next seventy years to the time of Mary it fell to about three-fourths. From that time to the end of the Commonwealth, land appeared to have yielded one-half of the revenue. Down to the reign of Anne it was one-fourth." In the time of Cobden, a hundred years ago, it was only one twenty-fifth of the revenue.

Evolution had indeed been great—but not in wisdom!

The most densely colonised Danish part of England was the district around York and in Northumberland, where the sons of Regner Lodbrog, Ivar and Halfdan, had their main headquarters. Here, near York, Henry George's grandfather was born. That wonderful book, *Progress and Poverty*, appeared in 1879, exactly a thousand years after Halfdan had put in practice the same ideas of land-taxation, single-tax and personal freedom.

In this very year, it is exactly 1,500 years since the first Danish invader, Hengest the Jute, came to the shores of Britain. Let us admire not only their virility and shipping, but also their worldly wisdom and their sense of reality.

As Julius Cæsar wrote 2,000 years ago, when he had seen the first tribes of Nordic origin: By these peoples the land is owned in common; they always give foreign traders free admission to their country.

These are the two eternal problems to be solved again and again, because in history there is always the land, the people and the goods they produce and trade with.

Righteousness and freedom are very practical.

We know that they are not only practical, but also practicable.

Published by the International Union for Land Value Taxation and Free Trade, 4 Great Smith Street, London, S.W.1.—August, 1949. Price 6d.

Printed by Rowling & Sons, Ltd. (T.U.), 36 York Road, Battersea, S.W.11.