

Jan, 1945

# Gone Is the Melancholy Dane

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WHEN the Indian leader, Gandhi, was asked if he knew of any country in the world which practiced Christianity, he replied, "There is one—Denmark."

In recent years the Scandinavian countries, as a group, have earned an enviable reputation as cultured communities with high living standards, good education, and freedom from slums and unemployment. Of these countries Denmark has achieved the greatest progress, although she lacks the natural advantages of iron ore and cheap water power which are available to Sweden. While we in the United States, with all our vast resources, are worrying about postwar unemployment, no such fears beset the Danes. This is because nearly all Danish farmers own their own land and are, therefore, able to employ themselves, and because urban workers share that security. Denmark was practically the only country to escape the suffering of the world-wide depression of the '30's.

In 1850, 42.5 per cent of Danish farmers were tenants; in 1919 only 5.7 per cent were renting the land they worked. In the period immedi-

ately preceding the present war, the figure was 5 per cent or less.<sup>1</sup>

In 1935 a 25-acre farm yielded an average net cash income of \$410; a farm of 25 to 125 acres, \$650, and farms of over 125 acres, a cash income of \$782.<sup>2</sup> To these figures should be added the advantage of rent-free homes and a large portion of foodstuffs and other crops which the farmer raised for his own use. That the Danes, with only ordinary farm land as a natural resource, fare at least as well as we in the matter of food consumption is indicated by the following figures:

	<i>Denmark</i>	<i>U. S.</i>
Cereals .....	113.4 Kg.	78.9 Kg.
Meat and Fish.....	60.4 Kg.	50.6 Kg.
Milk, Butter, Cheese and Eggs .....	142.4 Kg.	135.0 Kg.
Vegetables and Fruits....	160.8 Kg.	172.2 Kg.
Total .....	416.9 Kg.	426.7 Kg. <sup>3</sup>

The Danes, it is evident, surpass us in the consumption of several important categories of food. Our greater consumption of fruits is no doubt accounted for by purchases of the wealthier classes since millions of our people are suffering from various vitamin deficiency diseases.

As an indication that the economic advantages of Danish farmers are

shared in part by urban workers, we find the following hourly rates of pay for industrial and transportation workers:

	Denmark		U. S. Average
	Men—Skilled	Unskilled	
1929	..1.53 Kroner	1.24 Kroner	62.5c
1933	..1.53 Kroner	1.27 Kroner	51.8
1940	..1.93 Kroner	1.61 Kroner	76.5 <sup>a</sup>
	1 Kroner = \$0.4537		

While we had a reduction of about 20 per cent in average hourly wages during the depression of the '30's, and unemployment running to about one-third our normal working population, the Danes had no reduction in wage rates and almost no unemployment.

THE REASONS for this wide difference in economic conditions are not hard to find. The Danish people have educated themselves in their famous Folk high schools—adult private schools supplementing their public school system. These schools are operated by the teachers, and are subject to no outside political regulation or interference, although they receive some financial support from the state. The subjects taught cover any phase of government, economics, culture or technical detail of industry which seems most useful or desirable to particular groups at the time. These schools have been a great factor in the development of cooperative industries and, at the same time, in the close control exercised over the national government, which has become increasingly devoted to serving the people.

The chief economic factor in Danish democracy is the state aid given

to farmers wishing to acquire their own land. At first this was in the form of long-time loans to homesteaders, at low interest rates, and based on land values fixed by the government. However, under the Act of 1919, the homesteader does not acquire title to the land. Instead he pays, annually, 4½ per cent of the land value, as set by the government—the valuation being approved or revised after every new tax assessment.<sup>2</sup> This payment is calculated to represent a fair annual land rental, and does not include any speculative value. It is the carrying charge on some speculative value—a capitalized figure far in excess of the value of what can be produced on the land—which often prevents people in other countries from going into business or from buying their own homes, or causes them to lose their businesses or homes.

In addition to enabling its people to acquire land at a fair price, the Danish government eliminates any possible credit difficulties by lending the homesteader up to 90 per cent of the cost of improvements, with interest at 4½ per cent, no amortization payments on the loan for five years, and payments of 1 per cent a year, plus interest, thereafter.<sup>2</sup> Access to credit, however, would not help them a great deal if they were compelled to pay the usual speculative price for land. The chief benefit lies in having access to land at a price based upon its normal current yield, with annual payments easily covered by current production.

IN THE United States, local assessments levied against improved land are usually calculated to equal about one-fourth the ground rent, leaving three-fourths to provide a basis for private speculation. The failure of our governments—local, state and federal—to absorb by taxation this unearned rental value is responsible for all land speculation, and therefore all land monopoly. It is this defect in our tax system which results in overpriced farms and industrial sites—unprofitable to many who have purchased them, and inaccessible to many who greatly need them.

Various contradictory views are held by those who oppose the idea of government collection of full ground rent. One objection is that it would discriminate against farmers and grazers who require large areas of land, and favor industrialists and retailers who require small lots. Another is that it would be effective only in an agrarian economy since it does not appreciably affect urban business.

Some who favor the principle of collecting full ground rent fear that an older society cannot undo the past, but must struggle indefinitely, along present lines, in a hopeless confusion of regulations, levies and subsidies. Denmark's success is a refutation of these objections. Forty-one per cent of her people live in rural areas, and these land reforms have greatly benefited, not discriminated against, the farmers—as should be apparent from the fact that the payment of ground rent is for value received, and not a

true tax, or levy. The Danes, in fact, refer to it as dues, rather than taxes. Furthermore, industrial workers have prospered along with farmers.

Denmark is, moreover, an ancient country, and suffered almost as much from feudalism and serfdom as did the remainder of Europe. Its reforms have been gradually accomplished only since the French Revolution, and especially since 1899, when the government first began to help people buy land on reasonable terms. This practice not only helped the homesteader but provided others with the alternative of employing themselves, at reasonable wages, in agricultural work if they were unable to obtain satisfactory employment in the cities.<sup>1</sup>

THAT POVERTY has an almost equal effect upon two phases of abnormal behavior is substantiated by the fact that, while the population of the United States had doubled between 1850 and 1880, the number of inmates in our prisons and insane asylums had increased, in each case, about six times. This increase synchronized with the passing of the frontier, which had offered an escape to those suffering from our increased monopolization of natural resources.

From 1890 to 1930 farm owners in the United States increased 11 per cent and farm tenants 100 per cent. In the South, farm tenancy varies from 46.2 per cent in Tennessee to 68.2 per cent in Georgia. A subcommittee of the House Committee on

Public Lands of the 74th Congress reported as follows:

"Even now 3,000,000 farm families are settling down to a social state of serfdom heretofore foreign to our great country. Almost 2,000,000 more, with their farm homes heavily mortgaged, struggle on under the burden of debt, hoping that a kind Providence will save them from a like fate. . . . This condition is brought about largely through practices beyond the farmers' control, and is very undesirable economically and socially, tending to destroy essential elements of our Christian civilization."<sup>1</sup>

With regard to conditions elsewhere, it is interesting to note the following item from the home grounds of the world's greatest empire: "London, August 18, 1944 — 'Nutritionally, Britain has never been better fed in its history than it is in war time. Despite shortages and the rationing system, everyone for the first time has been able to get three meals daily,' said Tom Johnston, Secretary of State for Scotland, today."

In the final analysis, it is not the size of a country, its resources and productivity that determine its economic welfare but, rather, equal access to such resources as exist. These resources will be available to all, in any country or portion of any country, where the incentive to land speculation is removed by assessing ground rent in full.

The government now owns 380,000,000 acres of land, which are valuable only in small measure as parks or re-

serves of natural resources, and which can be made available for settlement. If our returning soldiers are permitted to take up homesteads on the same basis as the Danes—that is, by renting the land from the government—we shall perform a service for them far greater than the allotting of any possible gratuity.

Great Britain is now considering what is called the "Uthwatt Plan," by which the government will lease, but never sell, land which has passed into public ownership. If our government were to adopt such a plan it would be a big factor in the recovery of independent businesses, and there would be no need for trying to provide millions of jobs through WPA or any other make-work enterprise. In addition, millions of acres of idle, tax-abandoned land could be leased by proper governmental agencies.

While the leasing of government lands would be only a beginning toward a just economic order, it would point the way toward a further extension of the principle involved. Thus, in time, all people would have access to farm land, business sites and residence property on fair and liberal terms.

#### REFERENCES

- 1—Howe, Frederic C., *Denmark, The Cooperative Way*, Coward-McCann, N. Y. 1936.
- 2—Denmark; Pub. by Royal Danish Ministry for For. Affairs and Danish Statistical Dept., Copenhagen, 1939.
- 3—*International Labor Review*, v. 41, Jan.-June, 1939.