

A Commonwealth Ruled by Farmers

The Third of Five Articles on Industrial Democracy in Europe

By Frederic C. Howe

With Drawings by Leon V. Solon

DENMARK is a farmer State. It has a farmer Parliament, a farmer Ministry, a farmer point of view. Its legislation is that of the farmer too.

Most countries are ruled by a class. It may be by a landed aristocracy, it may be by a commercial, oligarchy. And most people accept the rule of a class as the most natural thing in the world. In Denmark the people really rule, and they rule in the interest of a larger percentage of the people than in any country I know, unless it be in Switzerland. The Danish peasant is the direct antithesis of the English peasant, who wants to be ruled by a lord. The peasant in Denmark wants to be ruled by a peasant like himself. Nor does he intrust his Government to members from the cities, to the lawyers,

or to the large landowners. Denmark is suspicious of Copenhagen, its largest city. Denmark distrusts the lawyer, and the landed aristocracy is only permitted to protest. Copenhagen does not like the rule of the peasants. The permanent official seems to be ashamed of it, and the King employs himself busily in social and personal functions, with the most shadowy powers and with practically no influence on legislation.

The State of Denmark is a peasant democracy. Its ruling class is the small farmer possessing from forty to sixty acres of land, and with an outlook on life that is exclusively agricultural. The present Minister of Agriculture was a workman whose business was that of thatching roofs. Three or four other members of the

Ministry are small farmers, while all of the Cabinet owe their position to the peasant majority.

COPENHAGEN—A SOCIALIST CITY

While Denmark is a peasant commonwealth, Copenhagen, its capital city, with a population of 500,000, is a Socialist municipality. The Socialists have controlled the administration of the city for years. Strangely enough, they have made but little change in the traditions of the city or the programme of the men who preceded them. And Copenhagen accepts its Socialist administration with much more equanimity than it does its peasant Parliament. A Parliamentary election took place while I was in Copenhagen, and the dominant issue with Conservative and Radical alike was that of militarism. Should the country be fortified and garrisoned, or should it protect itself by being unarmed and peaceful? The result of the election was not conclusive. The strange thing about the campaign was that the landed and commercial classes agreed in advance to bear the cost of the military programme by means of a progressive income tax. Ordinarily, war and the preparations for war are paid for by consumption taxes borne by the poor, by those who also offer their lives at the front.

On other questions party lines are not very acutely drawn. There is no strong business interest about which to form another party. One would expect an alliance between the peasant and the Socialist. But such is not the case. Both the Socialist and the peasant seek the political support of the *Hussman*, i.e., the very small landowner, of whom there are 130,000 in the country, and who up to the present time have kept the peasant class in power. There are also the agricultural laborers. They form the lowest rung in the social ladder, with the great estate owner at the top, the peasant farmer in the middle, and the *Hussman* and the farm laborer at the bottom.

THE DANISH PEOPLE

Denmark is nearly twice the size of Massachusetts. It has about the same population, 2,500,000. The Danes are pure Teutons and Protestants. But they are light-hearted, café-loving, and in no

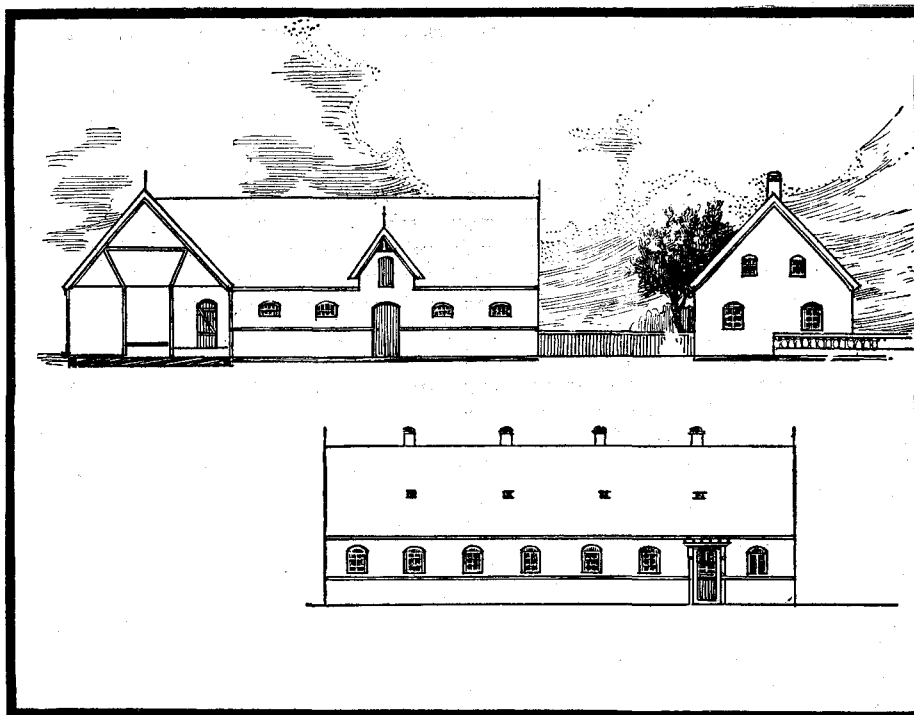
sense intolerant or Puritanical in their religion, which is State Lutheran. They are among the most universally educated people in the world. There is practically no illiteracy here. And there is but little poverty. There were thousands of men out of employment in Copenhagen during the recent hard times, but there are no slums such as we have, and little apparent misery. Wages are relatively high, and the standard of living is much above that of most sections of Europe. There is not that degraded condition which one sees in England, Belgium, or even in Germany.

THE CAUSE OF WELL-BEING

One would not expect this. For Denmark is a rather unfertile spur of northern Europe. The land is far from rich, the climate is not of the best, and the winters are very long. But the Danish peasant owns his land. Denmark is a country of peasant proprietors. This is the economic framework of his civilization. The traditions of the country are those of home-owners. The land of England, Prussia, Russia, and Belgium is still in the hands of feudal overlords. It is worked by tenants or by hired labor. But the Danish peasant is his own landlord, and he has made use of the Government to promote the acquisition of land by the people.

About 1850 credit societies were organized which supplied capital to the peasants with which to buy land. These societies took long-time mortgages, running from fifty to one hundred years. Under these contracts the peasants pay off both the principal and the interest in installments. Most of the peasants chose the long-time mortgages, and are still making payments upon them. The rate of interest, including amortization charges, is generally four per cent, and the period of the mortgage and the terms of payment and administration free the peasant entirely from any fear of his creditor.

In 1899 and in 1904 the State stimulated this movement still further by laws that enabled the small peasants to borrow money from the State treasury with which to buy a holding. Under this law the value of the land is limited to about \$1,600, and the size of the estate so pur-



PLAN FOR DANISH FARM BUILDINGS

All farm land in Denmark is valued for assessment on the basis of the average annual crop which the land is capable of yielding. These plans are for a farm estimated at 60 tonder, the tonder being the standard measure of farm value. The Government experts are very accurate in their calculations as to the fertility of land, making minute chemical analysis of the soil, and taking into consideration any exceptional conditions likely to be encountered by the farmer

chased ranges from eight to twelve acres. Only one-tenth of the purchase money need be found by the purchaser. The State advances the other nine-tenths and charges the peasant four per cent, one per cent of which is to repay the loan. This law was expected to create a great demand for small estates, but up to the end of 1907 only about three million dollars had been advanced under it and 3,175 farms purchased, the average loans of the State being less than one thousand dollars. The effect of the law was to increase the value of the land of the large estate owners, just as has the Small Holding Act in Great Britain. But the general effect of the legislation and of the mutual credit societies has been to check the movement of the people away from the land. Denmark is almost the only country where this is true.

PEASANT PROPRIETORSHIP

There is very little tenancy in Denmark. Over 89 per cent of the farmers own their farms. They work their own hold-

ings. Only about 11 per cent are tenants. In America the percentage of farm ownership is very much less. In 1900 only 64.7 per cent of our farmers owned their farms. More than one-third were already tenants. And ownership in Denmark is widely distributed. According to the latest published statistics, the land is divided as follows:

Size of farms.	Number of farms.	Total number of acres in the class.
Less than 1½ acres.....	68,000	25,000
From 1½ to 13½ acres..	65,000	450,000
From 13½ to 40 acres...	46,000	1,150,000
From 40 to 150 acres....	61,000	5,900,000
From 150 to 650 acres..	8,000	2,100,000
More than 650 acres....	822	1,150,000

The total number of farms is 250,000, with a cultivated area of over ten million acres. The very large farms are survivals of the old feudal estates. They comprise about one-tenth of the total agricultural area. These estates are not worked on the tenant basis, but by hired labor, which, by reason of the ease with which the peasants secure land, is difficult to obtain. In consequence the land-

lords import foreign laborers from Poland, who work on the estates during the summer months and return home during the winter.

By reason of this fact the large owners have co-operated in the development of peasant proprietorship. They sell their lands and accept in return the credit securities of the farmers' loan societies or money advanced by the State. But while the net result of this is good, and while the peasant is infinitely better off from every point of view than the agricultural tenant of other countries, still he is heavily burdened with debt. The land of Denmark is said to be mortgaged up to fifty per cent of its value, a great part of the mortgages being held by German investors, to whom the Danish peasant is paying over one hundred million dollars a year in interest. Moreover, the changes brought about in agriculture in recent years have involved heavy expenditure for machinery for dairy and farm purposes, which has still further increased the indebtedness of the peasant.

There are three things which make Denmark unique: The first is the system of peasant ownership; the second is the co-operative movement, which is well-nigh universal; and the third is the political supremacy of the peasant class in politics. The second and third causes are, however, due to the first. For home ownership lies at the root of the Dane's success.

THE SECRET OF HIS SUCCESS

The Dane is the best farmer in the world. The secret of his success is intensive cultivation. The land is minutely divided, the average size of the farms of the first five classes, which comprise nine-tenths of the land, being thirty-nine acres. A man on four acres, the *Hussman*, will make a decent living for himself and for his family. He will have three or four cows and possibly fifteen pigs. He will produce his own vegetables and some eggs and poultry.

The hundred thousand peasants with farms ranging from $13\frac{1}{2}$ to 150 acres, who own about seven-tenths of the land, live very much better. They work their farms partly with hired labor, are well educated, and devote a lot of time to

politics and the co-operative undertakings with which they are connected. They are the ruling class in the State, and are as wise as the traditional Jew and as canny as the Scot. They control the politics of their district and are ascendent in Parliament as well. They know all about the most technical agriculture, are familiar with prices current, are rather skilled mechanics and good chemists. They are saturated with a knowledge of agriculture, and are not consumed with the ambition to be rich or to acquire more land. Their only ambition is to be good farmers. They take an active and constant interest in the thousands of co-operative societies, in the various savings and credit institutions, and are familiar with all of the laws which bear upon their business.

DENMARK A MARKET GARDEN

The Dane has made his land a dairy farm. Denmark is cultivated like a market garden. The chief products are butter, eggs, bacon, poultry, and fine stock. A generation ago, like the farmers of England, the Dane was threatened with extinction by the wheat-fields of America, Russia, and the Argentine Republic. But he did not throw up his hands, as did the English landowner, and convert his land into pasture fields. Neither did he go to Parliament, as did the great estate owners of Germany, and demand a protective tariff. The Danish peasant is self-reliant. And he is a convinced free-trader. He looked about for other markets. He found that England was buying her butter, eggs, and bacon from Ireland. He sent a commission to that country to ascertain how Ireland produced these things. Then Parliament and the people set to work to convert Denmark into a market garden. That was only a quarter of a century ago. Soon the Danes were producing better bacon, better butter, better eggs, than the Irish. Within the last few years no less than four special commissions have been to Denmark from Ireland and Scotland to find out how it is done. For the Danes have captured the English market. And they have done it by improving upon Irish methods.

Denmark is now exporting to Germany, to England, to South America, and even to the Philippines. Here are the statistics

of the export business. They are in round numbers. Except for the year 1908, the average for a five-year period is given:

	Average Exports 1875-1879.	Average 1895-1899.	Exports for 1908.
Horses...	\$1,750,000	\$2,909,000	\$3,000,000
Cattle...	5,250,000	3,000,000	7,000,000
Bacon and Lard...	750,000	12,000,000	26,500,000
Butter...	6,500,000	30,000,000	45,750,000
Eggs.....	250,000	3,000,000	6,600,000
Total....	\$14,500,000	\$50,909,000	\$88,850,000

Most of the horses and cattle go to Germany. The bulk of the balance of the exports go to England. The total export trade is approximately \$380 for every farm, of which 133,000 of the 250,000 are of less than 13½ acres in extent and have an average size of but 3.6 acres, the average of all of the farms being but 43 acres for the entire country. The export business alone amounts to nine dollars per acre in addition to the domestic consumption as well as the support of the farmer himself.

AGRICULTURE A TECHNICAL BUSINESS

How has this been accomplished? By making agriculture a business of the most technical kind. The Danish farmer is an expert. He is also a student. He has studied the breed of horses until he knows what can be raised to the best advantage, and what the German most wants. The same is true of cattle, hogs, and chickens. He knows to a nicety just how a cow should be fed to produce the best butter. He knows how to breed the best hogs. He makes his butter and produces his eggs of a uniform quality. And he packs them so that they will please. He insists upon the most exact kind of Government supervision over the slaughter-houses, in order that the reputation of the country may not suffer from an indifferent producer, and follows up the least complaint from a foreign market. He has ceased to feed his cattle in the open. He feeds them in the stall all the year round. He has studied their food, and uses oil-cakes from New Orleans and Japan, and maize from the Continent. Each week there arrives at Copenhagen a steamer from New Orleans laden with oil-cakes for feeding. He collects his manure with the greatest care, and saves all of the refuse from the co-

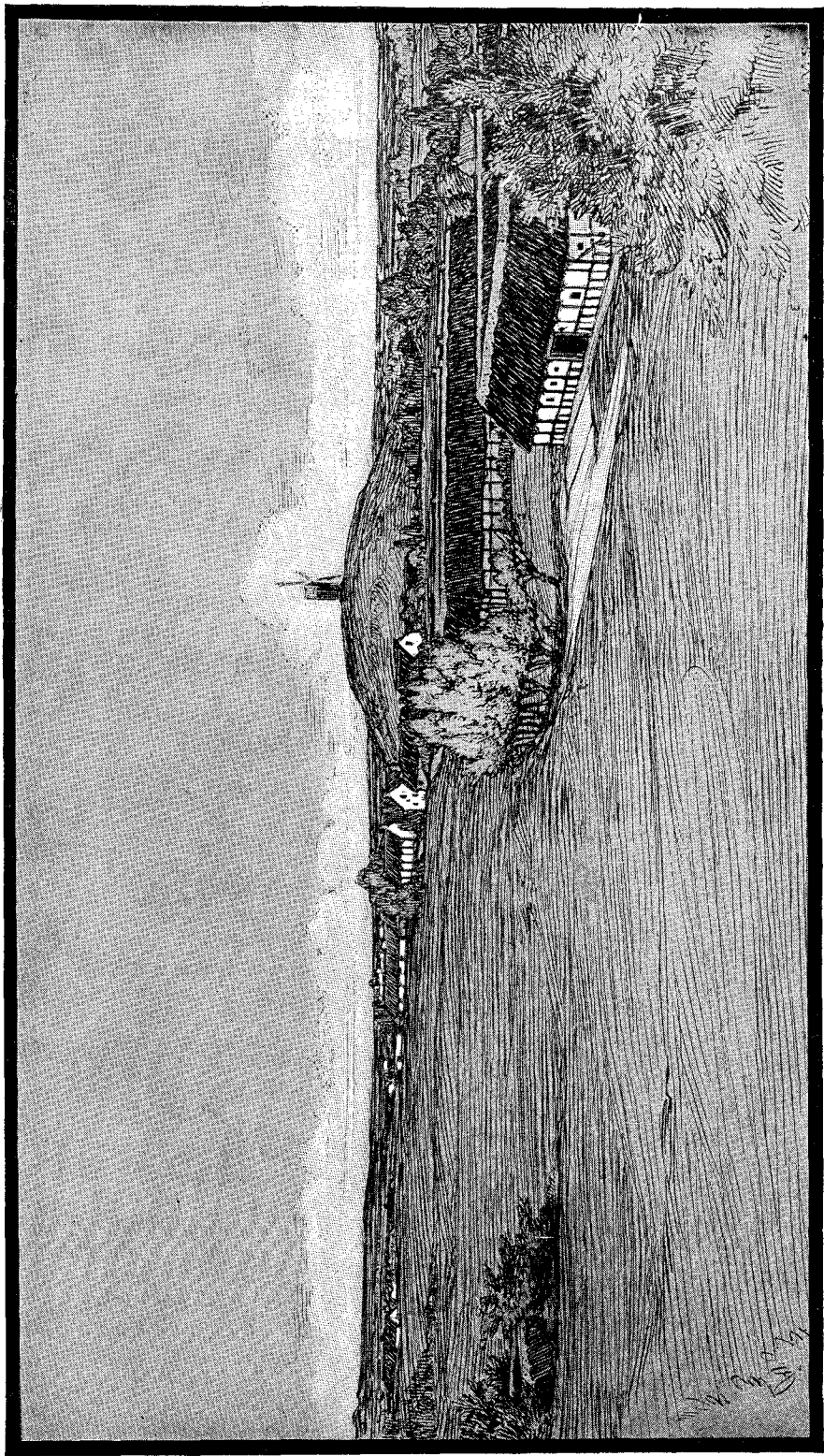
operative dairy and other establishments for the enrichment of his farm.

He is aided in this in countless ways by the State. The State is always at his service. Commissions are sent abroad to study foreign markets and foreign methods. Stock is bred from the best studs and bulls. Chickens are selected for their qualities as egg producers. Soil is studied, and the latest agricultural and dairy implements are bought, either co-operatively or by groups of men in the same village.

THE CO-OPERATIVE MOVEMENT

The other great factor is co-operation. The Danish farmer gets all that he produces—absolutely all. The State owns the railways and protects the farmer from exploitation. And he himself performs all of the processes of production, distribution, and exchange. He has eliminated one middleman after another until he is almost as self-contained as was his ancestor of three hundred years ago, whose only knowledge of the outside world was gained at the local village fair, where he went to barter his goods. The co-operative movement began with dairying. Up to about 1880 each farmer made his own butter. It was very costly and there was no uniformity in the product. About this time a new device was invented for butter-making. A number of farmers got together and purchased one of the machines. Its success was immediate. Other villages followed. To-day there are 1,087 co-operative dairies, with a membership of 158,000 farmers. There are also 200 other private dairies. Nearly 95 per cent of the farmers are members of the co-operative dairies, which ship nearly one million dollars' worth of butter a week to England. Then the farmers began to use skim milk for feeding their hogs. The bacon business became a by-product. Then they organized co-operative slaughter-houses, which are located in districts. There are now 34 of these co-operative abattoirs, with a membership of 90,000 and an annual business of 1,100,000 hogs.

The Danish Co-operative Egg Export Society was the next organization. It was organized in 1895. It now has 57,000 members. The eggs are collected



TYPICAL DANISH FARM LANDS

and stamped each day in a local circle. Then they are sent to larger circles for export. In 1908 the export egg business amounted to \$6,600,000. Danish eggs bring fancy prices. For they are always fresh. They are better packed than any others, and are carefully graded. By these means the Dane has more than doubled the price which he receives for his butter. He saves the profits which formerly went to the jobber. The same is true of bacon and eggs.

Some years ago there was formed in London a trust to control the bacon industry. It fixed the price to the farmer and the price to the consumer as well. This spelled disaster to the Danish farmer. But he met this danger as he had his former difficulties, by co-operation. He formed a selling agency of his own. The Danish Bacon Company of London not only destroyed the trust, it insured to the Danish farmer a secure market for his produce. Thus the farmer gets all that his labor produces. He is not despoiled by warehousemen, by railway or other monopoly charges. He gets the full value of his product in dividends at the end of the year, the profits refunded to him being measured by the amount of his output.

The peasant is also his own banker. There are 536 co-operative savings banks in the country. Here the farmer places his savings. Here he goes when he wants a loan. The deposits in 1906 amounted to \$208,500,000, and the number of depositors to 1,352,000 (over half of the population), with an average deposit of \$154. Now the peasant is talking of organizing a great central bank for the whole country, a bank which will include all of the co-operative societies and all of the labor unions as well.

But the co-operative story does not end here. The farmer does his own buying at wholesale. Through these purchasing societies he buys food for his cattle. Almost everything that he consumes comes to him at cost. It is purchased by central agencies made up from representatives of local agencies. The goods are then distributed to the stores, one of which is to be found in every village. Thus he gets his agricultural implements. Thus he buys his food and all his sup-

plies. He saves the profits of the jobber and the retail dealer for himself. The turnover of the purchasing societies in 1907 was \$17,500,000.

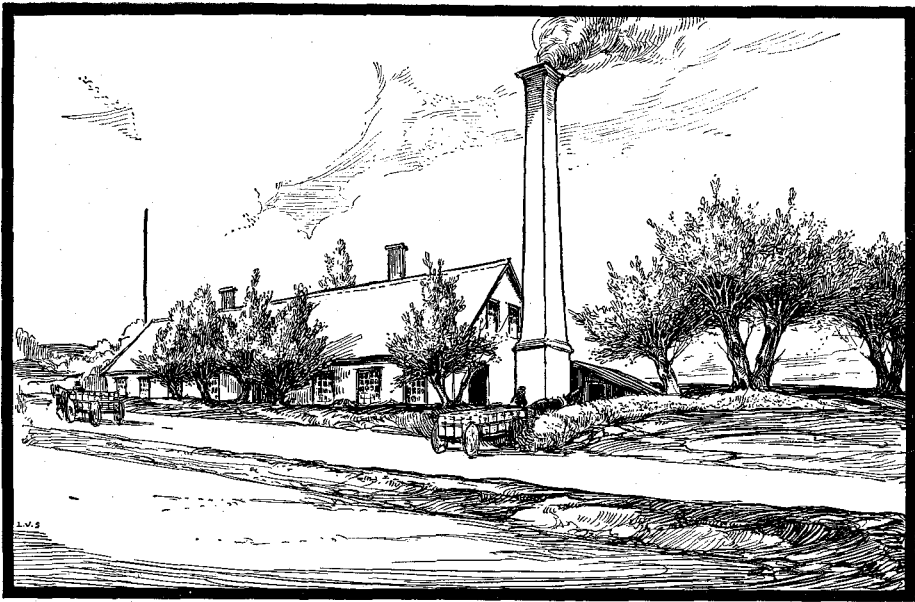
EDUCATION

As was before stated, there is no illiteracy in Denmark. School attendance is compulsory up to the age of fourteen. This is usually followed by a period of from three to four years when the children work on the farm. Above the elementary schools are the high schools. They are privately organized, but practically all of them receive aid from the State. The courses are of five months' duration. The boys attend in the winter and the girls in the summer. The tuition is small and the students live in the schools. The schools are very eclectic, and there is no necessary uniformity in the courses. And there are no examinations. All of them emphasize history, especially Danish history. Literature is taught, as are bookkeeping, business, and everything of value on the farm. There are forty-two of such schools in the country. They are, in a sense, patriotic institutions. They cannot be compared to the American high school or the German gymnasium. They are an indigenous product.

Along with these high schools are the agricultural colleges, of which there are twenty-nine. They give a very thorough course in all of the things that relate to Danish agriculture. They also are aided by the State.

It is through these high schools and agricultural colleges that the Dane is educated. There are over six thousand students in attendance. The boys are trained in agricultural chemistry, in stock-breeding, in seeds, in the management of co-operative establishments. In addition, an immense amount of what might be termed extension work is going on all of the time. There are lectures and circle work. Excursions are made to Copenhagen and elsewhere, while the co-operative societies have special text-books for the use of the farmers. The papers and the magazines are universally read, while constant political and agricultural meetings are being held.

Everybody in Denmark seems to be an agitator of some kind. And Danish cul-



A CO-OPERATIVE DAIRY OF DENMARK

ture is a product of it all. It is not hard and fast, it is a part of the thought of every one. The education of the peasant is like the information of the American baseball "fan." It is a part of his life. The Danish peasant is saturated with the culture of his nation, the culture which has come from the mastery of his subject and a knowledge of the politics of the country.

POLITICAL CONDITIONS

The peasant also controls the politics of the State. He has only been conscious of his power during the last ten years. The Rigsdag is composed of two houses. The upper house is indirectly elected or its members are appointed by the King. It is rather more conservative than the lower house, but it does not use its power to revise or check legislation, for it would receive no support from the country if it did. The lower house is popularly elected. Of the 114 members 55 are peasants. There are also 24 Socialists. The others are Liberals, with a sprinkling of Conservatives. The peasants control the Ministry, but are largely guided by the experience and wisdom of the permanent official class. The legislation which has been passed is of a decidedly democratic and progressive sort. The Government is obviously class conscious, for the peasant assumes and

other classes admit that the State is an agricultural one, and should be administered in the interest of agriculture. Education is generously supported, as are art and the State institutions. About a fourth of the revenues are spent on the army and the navy. There is an excellent system of old age pensions.

At the last session of Parliament a law was enacted which is indicative of the open-mindedness of the peasant, even when his own interests are involved. The State is planning to build twenty-seven lines of new railways, involving in all from 400 to 500 miles of track. It was recognized that the building of these railways would increase the value of the adjoining land. It was suggested that the road should be paid for by special assessments, and all of the increase in land value should be appropriated by the State to pay for the construction. The Ministry advocated that one-half of the increment should be so appropriated. But the measure as passed provides that the land shall be valued after the roads are completed and a tax shall be levied on the unearned increment equal to one-third of the value which has been added to the estates of the landowner. It has been estimated that this alone will pay for the cost of the roads. A similar law was passed providing for the building of a harbor at Esb-

jerg. Under the law, the city is to pay one-half of the cost, but is permitted to take one-half of the unearned increment to pay for its contribution to the enterprise.

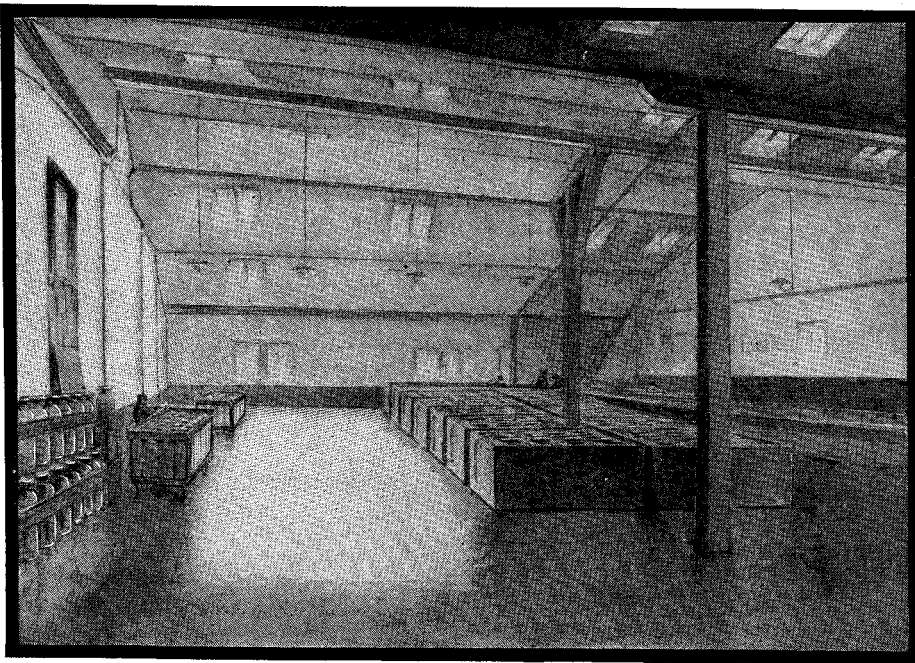
Aside from the issue of militarism, one of the chief issues is over the taxation of land values. This is the last State in the world where such an issue would seem likely to arise. For nowhere else do so many people own land. But the great bulk of the holders have very small farms. And under the system of income taxation which obtains the State arbitrarily declares that the taxable income of the *Hussman* shall be twice that of the peasant and three times that of the large owner per unit of land. The State recognizes that the small patch is more productive than the large holding. This makes it obvious to the *Hussman* that he is being taxed on his industry and not on his opportunity. Being a free-trader, he sees no way of rectifying this condition save by the taxation of all land at its capital value. He argues that by this means the large estate will be more readily broken up and that all classes will pay according to their opportunity and not according to their energy. The *Hussman*, too, like the peasant and the artisan, is organized as a

class. And at the last three meetings of the Peasant Farmers' Association the following resolution was passed: "The Danish peasant farmers demand the earliest possible abolition of all duties and taxes levied upon articles of consumption or assessed in proportion to income on labor, and in lieu thereof they demand that a tax be imposed on the value of the land, which value is not due to any individual effort, but is derived from the growth and development of the community." This is the essence of the single tax.

THE LESSON OF IT ALL

To this programme the great estate as well as the larger farm owners are opposed. But the petty landowners are twice as numerous as the farmers, and are coming to have a political sense. They, too, desire to see the laws of the country adjusted to their interests and the burdens of taxation shifted from their labor on to a more equitable basis.

What does this experiment station in democracy teach? In the first place, it demonstrates the controlling influence of a system of landownership on the life of a people. Denmark is democratic,



INTERIOR OF A DANISH CO-OPERATIVE DAIRY

enlightened, and self-governed because the great bulk of the people have an interest in the soil. France, Holland, and Switzerland prove the same thing. It shows, too, that poverty can be reduced to a minimum and the well-being of all the people promoted by State aid and co-operation. Even wages in the city are determined by the agricultural situation. The ease with which men live on the farm and acquire holdings of their own compels the employer to compete with the land for his labor. The land question thus lies at the root of the wages question.

Further than this, the Danish farmer appreciates that he is a consumer as well as a producer. He has learned that his success in agriculture is the result of his own efforts. It is not due to any bounty or subsidy from the State. He is not fooled into any belief in protection. He

is a free-trader. He buys where he will in the cheapest market, and the cost of living is much below what it is in America. He is not afflicted by trusts or monopolies. There is sufficient competition in the world which seeks him out to enable him to pick and choose, and he is able to get the best that the world offers and at his own price.

Here, too, may be seen voluntary co-operation at its best. The farmer gets all that he produces. And by education and the aid of the State he has increased the productivity of his labor. Like Switzerland and Germany, the little State of Denmark shows that the old philosophy of individualism has broken down, and that there are many activities which the State itself must assume in order to protect the people and promote their common welfare.

A GOLDEN WEDDING

BY EMILY HUNTINGTON MILLER

"Dear Love," he said, that morning long ago,
 "Where Life may lead the wisest cannot know,
 Or through what changing weather.
 If I could choose, no cloud should dim the sky."
 She smiled. "*What matter where the road may lie,
 So we two walk together?*"

"Dear Heart," he said, when they had journeyed far,
 And the calm radiance of the evening star
 Above the hills was shining,
 "The road was rough, and Life, the master, taught
 Lessons with bitter wisdom sometimes fraught,
 Beyond our hearts' divining.

"Yet good has sometimes come from seeming ill,
 And Love unchanging led us safely still
 Through storms and sunny weather."
 She smiled. "*What matter though the road were rough,
 The lessons bitter? This was joy enough,
 That we have walked together.*"