

The Justice Party—Past and Present

by The Rt. Hon. VIGGO STARCKE, M. D.

THE Danish Justice party (Danmarks Retsforbund) was created in 1919, mainly by Georgists from different movements. The program reflected the influence of the Danish philosophers: C. N. Starcke, Severin Christensen, Axel Dam, Christen Lambek and Eduard Geismar, blended with centuries of historical experience in land value taxation (Grundskyld) and free trade in Denmark.

It has been interesting to experience the fact that even by the slight pressure the party was able to exert, we could steady the helm so the ship of state would glide forward in the right direction—under full sail and deeply loaded.

The movement started with a soul but without a body. It was hard to build it up without the help of newspapers or money. Having proportional representation in the elections to Parliament, we had the first two members elected in 1926—in 1929 we rose to three—and in 1932 we had four members. Then, with the growing superstitious reverence for restrictions, protectionism and planned economy, we were slowly pressed back to three members; and when the second World War ended we had only two members left. In 1945, contrary to all predictions we rose to three. Two years later we doubled that number and in 1950 we redoubled to twelve members.

Before the 1945 election I spoke on the radio for the first time as follows: "It is said that all this talk about land value taxation and a state governed by justice, is only theory and nebulous nonsense. These objec-

Discussions on the future of the Justice party in Denmark continue in the Georgist journal, *Vejen Frem*, and we will keep readers informed of developments. An account of the party's defeat in the November elections appeared in the December HGN, and translated comments from the Danish press were in the February issue (*The Party Was Getting Dangerous*). Now we are privileged to present a report of the spectacular results obtained while the party was in power, by Dr. Viggo Starcke who was its leader up to the time of his enforced retirement because of ill health.

tions must stop now when the Danish small-holder movement again has claimed land value taxation, free trade and removal of taxes from production, consumption and buildings. And now when the working classes, through the largest political party in this country, the Social Democrats, also have insisted upon land value taxation, one can be quite sure that it will come. Today it is practical policy."

During the election campaign in 1950 the Social Democrats, Radicals, Liberals and Justice party were all supporting taxation of land values and together they made up a majority in the House. I pointed out to the Prime Minister that if the Old Liberal Venstre would not accept a policy of LVT another formation of government would be considered. Again after the 1957 election I urged formation of a majority government by the three LVT parties, and following the negotiations this coalition was accomplished.

During the three and a half years the LVT government functioned, economic conditions were fundamentally

altered and unemployment disappeared. Denmark's production had never been so great—it rose by more than one-third. Savings also rose considerably, and although consumption rose by about 25 per cent, more than two billion kroner (about \$300,000,000) were invested. Of this amount more than 75 per cent was privately invested, and industrial investments rose 135 per cent. The building industry thrived as never before when many restrictions were removed and financing of buildings was returned from state to private control. The national debt was reduced by 1,100,000,000 kroner. The foreign exchange reserves rose from a deficit to a surplus of nearly one and a half billion.

Due to the rising production, rising income, and rising consumption, the revenue from taxation rose—but the fiscal acts were changed so that a family with the same income and the same consumption in 1960 as in 1957 had 10 to 15 per cent lower taxes.

Denmark joined the seven countries' free trade area, whereupon most of the quantitative restrictions on import were abolished, and the remainder will be removed in the coming few years. The tariffs (some reduced, others increased) will automatically be removed within the seven countries. The Justice party's view that all tariffs should be removed could not win the support of Parliament.

As a result of progress in every field of economic life, there was a growing demand for land, especially for building sites in the suburbs, with prices rising often as much as several hundred per cent. Because of the improvements in the laws of land value taxation in the cities—where the taxation of the unearned land values were more than doubled—and the effects of the

taxation of unearned increment in 1957 and 1960, the whole economic rent of the rise in the value of land will be collected in the coming years, as well as a considerable amount of existing land value.

Although the Georgists had expected even greater results, those obtained were sufficient to release a black smoke of fury. Danish newspapers spent millions of kroner in an organized campaign of articles, cartoons and lampoons, pamphlets and posters directed in particular against the new element in the government—the Justice party. I had the honor of bearing the brunt of the attacks. Two months before the writs for an election were issued in autumn 1960, I had to inform my constituency that my doctors had warned me—no more election campaigns.

The results of our three and a half years in government have been very good for Denmark—less good for the Justice party; but, after all, if you have to choose between what is good for your country and what is good for your party the decision ought not to be difficult.

For the first time in this century a government met the electorate with an enormous surplus in the state budget; an impressive balance in foreign currency; an increase in all production records, savings, and investments; great progress in land value taxation for the benefit of the working people and the disadvantage of the land speculators. Although the LVT government presented the country with no crises in industry, agriculture or trade, and with no unemployment, the result was defeat. It was not just—but justice is so important that to further it you must be willing to suffer injustice yourself.

Enveloped in prestige, an error is always more effective than a truth without prestige.