

A Danish Tragedy

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AFTER twenty years as a physician in charge of a hospital, Viggo Starcke served fifteen years in the Danish parliament, and was for three and a half years a minister in the "Triangle Government". He has written a most interesting account of those years, the period of greatest activity in the Georgeist movement in Denmark. His book *Triumf eller fiasko?* (*Triumph or fiasco?*) was published in 1972 by Stig Vendelkaers Forlag, Copenhagen, Denmark. Soft bound, with 243 pages, the book has no index. The jacket bears a photograph of Dr. Starcke holding his violin, - he is an accomplished musician. The title page has a photograph of a relief sculpture of him and his wife. A number of cartoons enliven the pages.

A popular public speaker, Dr. Starcke has spoken about two thousand times on platforms or television. He has written hundreds of pamphlets and many books. Among the best known of his other books are *Denmark in World History* (1946) and *Centuries of Experience with Land Taxation in Denmark* (1966).

He was born in 1895. He studied medicine, and from 1926 to 1945 he was in charge of a hospital at Silkeborg, Denmark. He resigned to enter politics. From 1945 to 1960 he represented the Justice Party in the Danish parliament. From May 1957 till the fall of 1960 he was an influential member of the Cabinet. For many years now he has lived at Orholm, about ten miles north of Copenhagen.

Dr. Starcke speaks English fluently. In 1953 he gave a series of speeches in Great Britain. In 1954 he toured the United States; here he made ninety speeches or television appearances, and was offered a professorship in a California university. He spoke in Town Hall, New York at the 75th anniversary of the publication of *Progress and Poverty*; he was introduced on that occasion by Lawson Purdy, the man who pushed through the law requiring land in New York City to be separately assessed.

Starcke opposed Denmark's joining the Common Market; he calls it the politicians' dream and the people's nightmare. He is an ardent apostle of free trade, and wants the NATO countries to adopt free trade. A firm supporter of NATO, he writes "If we had had the Atlantic Charter in 1913, the first World War would not have happened. If we had had the

Atlantic Charter in 1939, the second World War would not have happened. Because we have the Atlantic Charter since 1949, the third World War has not happened." He admires Winston Churchill and quotes him on national defence as well as on the Single Tax.

In 1886 *Progress and Poverty* was translated into Danish by Viggo Ullman, after whom Viggo Starcke was named. His father, Professor C. N. Starcke, was one of the leaders in organizing the Henry George Society in 1902. In the fall of that year a larger group met and adopted the *Køge Resolution* which called for *Grundskyld*, free trade, and the repeal of all taxes on labour, buildings, and consumption. *Grundskyld* is the term used by Danish Georgeists for the application of the Single Tax as explained by Henry George.

To organize a political party devoted to Georgeist principles, a meeting was held on October 21, 1919, in the house of Bishop Grundtvig. Viggo Starcke was twenty-four at the time, and was already very active in the movement. The new party, called *Retsforbundet* (the Justice Party), took part in an election in 1922, and in 1926 it elected its first member of the *Folketing*: the Danish national parliament.

Among the other five or six political parties, two came to accept the Justice Party's stand on *Grundskyld* - the Social Democrats and the Radicals. As early as 1945 Starcke suggested forming a three-party coalition government; the Justice Party offered to cooperate on two conditions. The first was the establishment of a *Grundskyld* Commission, a commission to investigate how the community could collect the values created by it, and which taxes on labour and consumption could at the same time be done away with. The other condition was the doing away with rationing and restrictions on trade. Under the then Finance Minister, H. C. Hansen, to whom Starcke pays tribute, the commission was established in 1947, and the rationing and restrictions were pretty well ended.

In the election in May 1957, the Social Democrats took seventy seats in parliament; the Radicals fourteen, and the Justice Party nine; together these three parties constituted a majority. A coalition government, known as the Triangle government, was formed with H. C. Hansen (Social Democrat) at the head,

and Jørgen Jørgensen and Viggo Starcke next in command. After the death of H. C. Hansen in February 1960, Viggo Kampmann became prime minister. The Triangle government ruled Denmark three-and-a-half years. The Justice Party held three of the nineteen cabinet posts, but its influence was proportionately far greater.

With the co-operation of H. C. Hansen, the Justice Party's programme was largely put into practice. The first thing they agreed upon was to continue Denmark's membership in the United Nations and in the North Atlantic Treaty Organization. The Triangle government arranged for the conversion of certain residential construction from state to private financing. It voided certain import regulations and revised custom laws; it again placed Denmark in the free trade basis which had been abandoned in 1932. Apart from an immediate levy to cover a deficit inherited from the previous administration, no new taxes were levied. But the communal land-value tax was more than doubled, and the additional amount received was used to reduce the communal income tax. Also, the land increment tax was increased. Debts owed to parties outside Denmark were reduced to the lowest in a generation. The Justice Party was instrumental in leading Denmark in to the free trade area, the European Free Trade Association.

The results were dramatic. Unemployment, which had been a real problem, practically vanished. Inflation was halted, Real wages had the greatest rise ever. Industrial production increased 37 per cent. Saving climbed sharply, and speculation in land was sharply curbed. Denmark enjoyed an unusual period of prosperity and stability.

When the time came for the election near the end of the year 1960, the Justice Party was at a decided disadvantage. Starcke, because of illness, was not a candidate; he was in fact too ill to campaign. Of the original nine members in parliament, four had died and been replaced by men who were not well known by the voters. None of the Justice Party members was permitted to appear on television. The entire press was hostile. The party had in 1957 received 5.3 per cent of the vote; it now fell to 2.2 per cent and failed to win a single seat in parliament.

Since 1960 most of the constructive legislation has been repealed. The other parties have governed badly. Inflation has flared up again, taxes have tripled, interest rates increased, and there is more land speculation than ever before. Starcke comments, "It was a misfortune for the Justice Party that in 1960 it slipped out of the parliament and the government, but it was a still greater misfortune for the Danish people."

The great achievement of the Triangle government

was that it showed that something can be done to improve economic conditions in a country. The Triangle government came nearer than has any other government to putting into practice the Georgeist philosophy. Dr. Starcke had the courage to fight the good fight with all his might. Despite the set back, Dr. Starcke has faith that eventually justice will triumph. He writes, "We were within forming the best government Denmark has had in this century. We had an appreciable part in its good results. That is a triumph. The results were destroyed, - for a time, - and the Justice Party's influence weakened, - for a time. That is a fiasco, - for a time!"

Confusing the Voter and Me

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I DON'T quite know what to make of an article in *The Liberal News* (August 9) entitled "How to Cut Your Rates: Liberal Plan for Land Tax," written by Tudor Jones.

"The centrepiece of Liberal land policy is Land Value Taxation (or Site-Value Rating), which Liberals have been advocating ever since Lloyd George's 1909 Budget," begins the article. (In fact Liberals were advocating LVT as early as 1889.) Now the words "Land-Value Taxation" are customarily used to denote a national tax on land values in lieu of existing national taxes; Site-Value Rating is correctly understood to be a system of raising *local* revenues, and the terms are not strictly interchangeable. Which do the Liberals advocate — LVT or SVR? Or perhaps they advocate both?

The continuation of the article, instead of enlightening me any further, confuses me for immediately following the opening sentence quoted above, we get: "Liberals aim to levy taxation on the value of land sites zoned for residential development." What is this, some development charge on residential vacant land only?

Before confusing me further, I get, in parenthesis, "Agricultural land would not be eligible (liable?) for rates under the Liberal Plan," so perhaps there is to be a special *rate* on developable residential sites? This appears to be so from what follows and of course it is a misuse of words to describe this as "site-value rating."

"In practice, all residentially zoned land - in both public and private ownership - would become liable for taxation as from the first date designated for development. This would involve site-value rating on a sliding scale, with zero rating for the first year rising to 100 per cent rating for the third and subsequent years that a site is left unreasonably underdeveloped."

But no, that is not what is meant at all - or is it?