

Background of the Danish Justice Party

By VIGGO STARCKE

[Exerpts from a radio address over Station WGBH, Boston, April 5, 1954]

DENMARK'S geographical position is very interesting. We are nearly in a key position at the entrance to the Baltic, with Scandinavia north of us, with middle Europe south of us, with the Baltic countries to the east, with England, France and the Americas to the west. But our geographical position has its strategical complications. Before the second world war, Russia had just reached the Baltic seat at its eastern end by Leningrad. But today Russia has reached the western end of the Baltic, just at the neck of the Danish peninsula. Denmark is thus in a very dangerous position and it has been a very great advantage for Denmark to enter the North Atlantic Pact. But I believe this has been a great advantage for the North Atlantic Pact too, because the entrance to the Baltic is also the exit for Russian submarines.

We have a very high standard of living in Denmark, and a hard-working population living there. And this high standard of living is combined with the lowest tariffs in Europe. These low tariffs don't hurt us; and I draw a conclusion from that: if we can have a high standard of living with low tariffs, perhaps we can have a higher standard of living without tariffs.

In Denmark we have no slums, and very few Communists; and I think there is some connection between these two facts. Because communism can grow in a country with slums, with poverty, with periodical unemployment.

In Denmark's long history we have solved again and again two of the fundamental, everlasting problems in life, problems that are important in all countries in all periods in history, land and trade; because there are always people and land, land on which we have to live, land on which we have to build our homes, land from which we draw our raw materials and productive powers. This problem can be solved in a just and a free and practical way.

The other fundamental problem is that of trade, since trade in goods, turnover of goods, import and export, is necessary. Import is the beginning of trade, and import is always important for a country. When we compare the high standard of living in Denmark with the high standard of living in the United States, the United States' standard is perhaps higher. And I can see an explanation of that, and that is that the United States consists of 48 states that have no tariffs and restrictions, no duties, among them, and America thus has the possibility to make the most of modern technique, of modern science, of modern means of transportation, by air, rail or automobile. If the United States were to adopt the European system with a lot

of small states all having tariffs and restrictions against each others, I believe that the standard of living in the United States should decrease very rapidly to European levels. But I also believe that if European countries got rid of their restrictions and opened their borders for import and export, Europe could reach the high standard of America.

In his budget message last year, the United States President, Mr. Eisenhower, said the following words: "We must develop a system of

taxation which will not discourage work, savings and investments." In Denmark we have a general assessment of all real property, where we separately assess the capital value of the land and that of buildings and improvements. We have had that for many years and in many periods in our history. In the year 1919, we made some laws in Denmark regarding the glebe lands and the great entailed estates. They were parcelled out in small farms and given to small holders. These small holders can get land without paying for it, but with the duty to pay the full economic rent for the land alone. There is no selling price on this land, and the small holders can dispose of their land freely, either by will or by sale or transfer, but always with the obligation to pay the full economic rent.

We have thousands of small holders in Denmark who are realizing the benefits of the philosophy of the great American, Henry George. We have in Denmark also a considerable national land value taxation, and we have land value taxation in local municipalities, and special taxation of the increase in land values. Under all these laws we today collect for the whole people of Denmark about one-half of the value of their land, the unearned value of land alone.

In 1948 Denmark appointed an interdepartmental parliamentary commission with a mandate to work out a proposal for law to enable Denmark to collect the whole economic rent, the whole yearly economic value of the land in the kingdom, and to propose what taxes on buildings, on improvements, on consumption and on income can be abolished. We are expecting a report from this commission this year, and it will be very interesting to see the results they get, because there is in the Danish parliament today a full majority in favor of such a reform. In my opinion, it is the solution to the question President Eisenhower asked: a system of taxation which will not discourage work, savings and investments.

I can see only one system of taxation which will not discourage work, savings and investments, and it is taxation of the value of land which is not created by any single man, but is a value created by nature and by the whole community in the nation. In Denmark nearly 90 per cent of the farmers have occupying ownership, they have their own land, whether small or large. The solution of our land question has some connection with our high standard of living, the solution of the problem of housing in our cities, and the fact that we have no slums.