

Compromise the Price of Reform?

In exchange for promises of new land-value legislation, the Danish Justice Party has had to accept distasteful measures

In our previous issue we reprinted from "Vejen Frem," the weekly newspaper of the Danish Justice Party, an article dealing with that party's gains in the recent general election in Denmark. In this specially contributed note, Mr. Stener Aarsdal, assistant editor of "Vejen Frem," surveys the present political situation in his country.

THE previous administration was comprised exclusively of members of the Social Democratic party, which was in a minority in Parliament. From many quarters there were demands for a government based upon a majority in Parliament and so, as no party secured a clear cut majority in the elections, the various parties entered into negotiations with each other in an attempt to form a coalition government. Those between two free trade parties which both increased their parliamentary representation—the Liberals ("Venstre") and the Justice Party (Retsforbundet)—came to naught because the "Venstre" is a zealous foe of land-value taxation. Eventually a coalition was formed from the Social Democrats, the largest party in the new Parliament, which is moderate socialist but non-Marxist in outlook and resembles the British Labour Party, the Radical Liberals, who stand midway between the Social Democrats and the "Venstre," and thirdly the Justice Party. Our decision to co-operate with the other two parties was taken unanimously by both the parliamentary group, and the head council of the party.

The new government is confronted by a shortage of foreign currency and an obligation to pay the subsidies promised by the previous administration. Therefore its first task must be to impose new taxes and a "stabilisation loan" to yield a total of some 200 million crowns.

These preliminary measures taste unpleasant to the Justice Party. But the policies of the last government, for which the Justice Party was in no way responsible, make them necessary. What does the Justice Party get in return for "swallowing" such unpleasant things?

The new Prime Minister, Mr. H. C. Hansen (Social Democrat) has already announced officially that the new government will introduce new land-value taxation legislation. Under the proposed new law, all future increases in land value will be collected. This will represent a very considerable step forward. The *varedirektorat*, a state office responsible for administering various restrictions, is to be closed, and its diminished functions will be transferred to the Ministry of Trade. Thus it will be seen that the Justice Party, by its participation in the new government, has secured promise of progress in the two questions which are of such interest to it, namely, land-value taxation and the liberalisation of trade.

As already remarked, we do not like having to accept the new taxation and the stabilisation loan. However, we believe that these measures will die a natural death

when the yield from the new land-value taxation measures begins to flow into the treasury. We hope that then we shall also be able to abolish some of the existing "institutions" which cost the taxpayers a great deal of money and serve very little purpose.

We ask that when our friends abroad consider these matters they should remember that we have only nine members in a house of 179. We consider that in joining this coalition government, we made a "pretty good bargain." It now remains to be seen whether our nine members will be able to "play the game" with their colleagues. If they are, the decision to co-operate with the other two parties will prove to be a notable event in the history of our country as well as of our party for this is, in fact, the first land-value taxation government in the world.

Dr. Viggo Starcke is Minister without Portfolio in the new administration. In this capacity he will be able to ensure that the pledges given to the Justice Party will be fulfilled. Mr. Soren Olesen is Secretary of State for Home Affairs, and Mr. Oluf Pedersen is Minister of Fisheries, with additional duties relating to land-value taxation problems.

Danish Compulsory Loan

To the Editor, LAND & LIBERTY.

The Danish people are exasperated by the growing greed of the state and its increasing interference in all spheres of life and economic activity. Taxation under the former government was almost confiscatory, and the first step taken by the present government has been to introduce a Bill to enforce a loan to the state by all taxpayers whose income exceeds 14,000 kr. a year. Moreover, as may be seen from the following table, the scale is so outrageously progressive that it discourages people from working:—

Income	Compulsory Loan
14,000 — 17,000 kr.	400 kr. plus 10% on balance of income.
17,000 — 20,000 kr.	400 kr. plus 15% on balance of income.
20,000 — 30,000 kr.	850 kr. plus 20% on balance of income.
30,000 — 50,000 kr.	2,850 kr. plus 25% on balance of income.
50,000 kr. and upwards	7,850 kr. plus 30% on balance of income.

This is on top of all the other forms of taxation. It means that when a taxpayer has reached a certain level he has to pay 1.38 kr. out of 1 kr. he earns!

*Continued at foot of next column
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