

# DANISH AMERICAN CHAMBER OF COMMERCE NEW YORK

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## NEWSLETTER

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No. 2

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### Editors

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### FESTIVE GALA DINNER

Without the glooming nuclear clouds of last year's gala dinner dance, this year's was the most festive and merry dinner dance this writer can remember.

The Master of Ceremonies, Werner Valeur Jensen, was in top form and came very close to stealing the picture from the evening's guest of honor, Knight Commander Victor Borge. Maybe it was just as well that Mr. Borge was sitting so far from the rostrum that he had a little trouble hearing Werner. Consul General William Thune-Andersen, who was appointed the second funniest man from Denmark by a major Danish newspaper during the visit of H.H.R. the Prince of Denmark last fall, was a good match to Werner in his introduction of Victor Borge. Victor himself is not a man to be subdued by two funny men. What else than rise to the occasion, and he did just that. Maybe next time the hotel will take the trouble to tune the piano so that Mr. Borge can be persuaded to touch a few notes.

Niels-Peter Albertsen



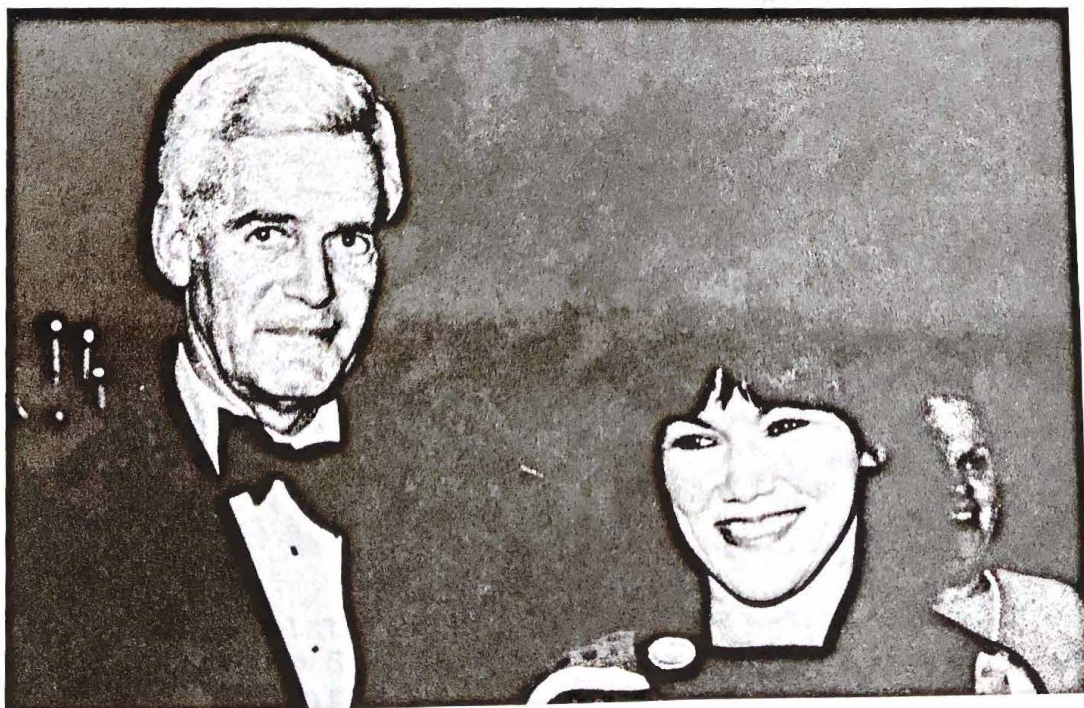
Master of Ceremonies, Knight Werner Valeur Jensen, in a joking contest with guest of honor Knight Commander Victor Borge.



The top table before seating. Victor Borge, Gitte Thune-Andersen, William Thune-Andersen, Ed Lichtenhagen, and Judith Lichtenhagen.

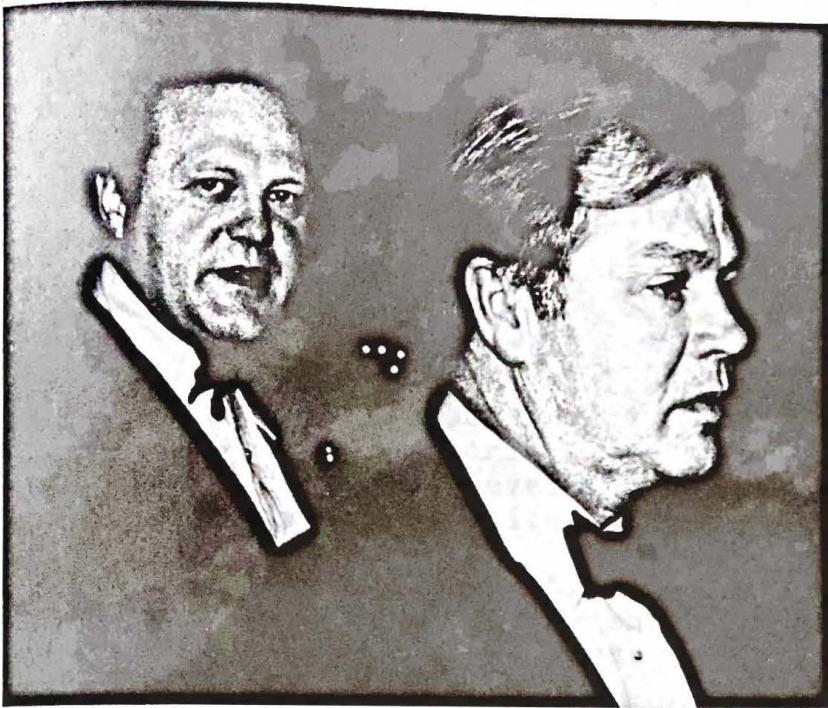


What's wrong with the ham business? Henry Greenebaum with Consul General William Thune-Andersen.

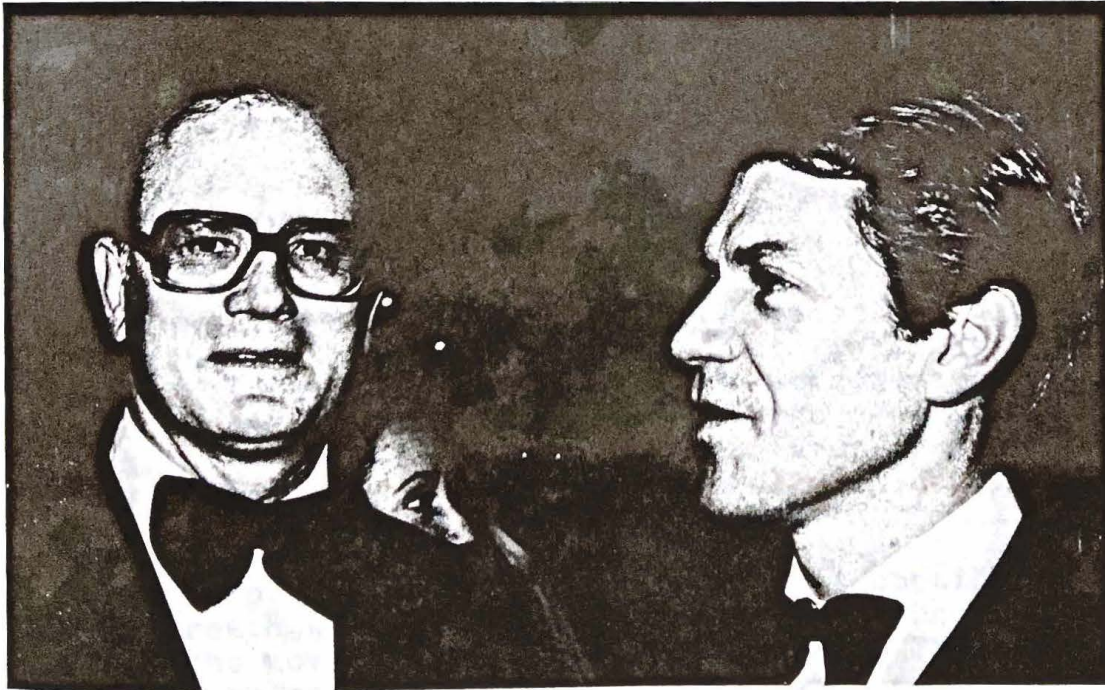


Stuart Spizer, The New Yorker, with wife Edith.

must have a  
rd, with Roger



Two very happy and very succesful new partners in Top Grade, Torben Højgaard and Palle Lorenzen.



With banking interests this intense, tourist business must have a bright future. Steen Løvschal, The Danish Tourist Board, with Roger Anderson, Privatbanken.

Above photos by Sharlene Spingler/Ding Ansich Dynasty

THE DANISH ECONOMY (PRIVATBANKEN)

The outlook for the Danish economy is improving, partly as a result of falling oil prices and signs of recovery in the international economy, and partly as a result of the austerity measures introduced last fall.

On the labor market, agreement on wages has been reached for the next two years. The government has suspended all wage indexation, and the labor management negotiations on wages have resulted in wage increases apparently within the frame set by the government of a maximum of 4 per cent per year in the next two years. Also in the public sector wage agreements based on this frame have been reached.

In order to contain the growing public sector's borrowing requirements, cuts in public spending have been effected. In fact the Conservative-Liberal minority government, consisting of a coalition of four parties, has achieved much success with its policies during its 6 month lifetime in spite of the weak base in Parliament.

After having increased modestly in 1982, private consumption will decrease again in 1983, and we shall not be able to afford any growth within the next few years.

The decline in private consumption is due to a combination of falling real wages and a rising tax burden. The heavy slowdown of the rate of wage increases will only partly be followed up by a decrease in the inflation rate, and as municipal taxes will, on the average, grow by a couple of percentage points, a typical wage-earner will experience a decline of 2 per cent in real disposable wages. Private consumption will fall slightly less because the number of wage-earners continues to grow.

During the period from 1979 till 1983 the individual wage-earner will have experienced a decline of more than 10 per cent in their real disposable income. However, owing to the net additions of wage-earners, private consumption will be reduced by only 6 per cent in all. This harsh experience should be seen in light of the fact that from 1974 till 1976 the Danes allowed themselves a 12-14 per cent increase in real wages despite the upsurge of oil prices in 1974, which on the whole made society poorer. Even if private consumption falls by 2 per cent next year, the level will still be 8 per cent higher than before 1974.

Public consumption, on the other hand, will continue to rise. In 1983 the growth will, however, be reduced to about 1 per cent as a result of the government's austerity program. The additional savings expected to be carried through in 1983, with effect from 1984, will probably stop the rise in public consumption completely. In 1970 public consumption constituted 20 per cent of GDP, in 1979 25 per cent, and in 1982 the percentage will be 28.

While demand is forced down, the government tries to stimulate capital formation, which has been falling alarmingly in the last few years. Fixed gross investments amounted to 21 per cent of GDP in 1979, but only 15 per cent in 1982. The result has been a real fall of nearly 30 per cent in gross investments, which however are not only made to extend the existing productive apparatus but also to replace outdated and worn-out production equipment. As a result, net investments have been more than halved.

Approx. 19,000 new apartments were commenced in 1982, which is much the same as the year before. In 1983 the number will rise to about 26,000 because of a marked fall in interest rates.

The public investment activities have been reduced by more than one-third from 1979 to 1982. A minor reduction is also expected in 1983.

Fixed investment in business amounted to well over D.kr. 40 bill. in 1982. Investments in the oil and gas sector, which peaked last year, amounted to 17 per cent. On the other hand "private" trade investments continued to fall and were about 30 per cent lower in terms of fixed prices. Investments in the oil and gas sector will be reduced by 5 per cent in real terms in 1983. The decrease in "private" trade investments is, however, expected to be turned into a slight increase.

Due to the fall in domestic demand, economic activity will not grow in 1983. Both the GDP and industrial production will stagnate after making a progress of a few per cent in 1982.

The competitiveness of Danish trade and industry will only improve slowly in the course of this year, and the real increase in exports will therefore hardly be larger than it was in 1982, i.e. about 2 per cent.

The trade deficit will nevertheless be substantially improved because the volume of imports will be falling as a result of the decline in domestic demand and because of the falling oil prices, which means savings of D.kr. 3 bill. The effect will be strengthened by a minor improvement of the terms of trade.

The balance of goods and services will be substantially improved in 1983. A deficit of D.kr. 14 bill. is expected against D.kr. 20.2 bill. last year.

However, the government's austerity program cannot stand alone. New intervention will be necessary in 1983 if the deficit on government finances is to be held in check. The domestic activity will be weak in the coming year which will, in particular, hit that part of trade and industry that is dependent on the domestic market. Together with the slowdown in public consumption this will push up unemployment considerably. However, 1983 can also be the year in which Danish

trade and industry obtain a much-needed improvement in competitiveness. The incomes policy will give trade and industry an appreciable reduction in financial costs, as the more moderate cost development will reduce the need for a devaluation of the Krone. It will again make way for a considerable reduction in interest rates, and since, at the same time, the current account deficit will become smaller, there is also hope that the interest rate reduction becomes larger than the fall in inflation immediately allows for.

### DANISH AMERICAN TRADE 1982

As predicted in Newsletter 1/1983, Danish exports to the USA increased by 25 per cent to D.kr. 7.5 bill. in 1982. During the same period Danish imports from the US dropped by 11 per cent to just below D.kr. 10 billion.

In 1982 the US dollar gained 17 per cent against the Danish Krone to an average of D.kr. 8.34 to a dollar.

Taking into account the decrease in the total US imports of 7 per cent measured in dollars, the figures indicate a considerable gain in Denmark's share of the American import market.

The booming export of fresh meat came to a sudden standstill with the outbreak of Hoof and Mouth disease in Denmark in the spring of 1982. Despite this development the export of foodstuffs went up by nearly 50 per cent, and canned ham with no less than 75 per cent due to the high pork prices in the United States and the plentiful supply to the Danish foodprocessing industry.

The exports of capital goods have been hard hit by the drop in investments in the recession-ridden American economy over the last few years. It is hardly surprising to see a reverse in the trend from the 1970'es where machinery and instruments captured an ever increasing share of Danish exports to the US.

The trade promotion efforts on the American market have particularly emphasized the exports of furniture and clothing. These groups have shown strong gains, the furniture now accounting for 10 per cent of the total exports.

The drop in Danish imports from the US almost three times as steep as the decrease in total US exports can first of all be explained by the extensive sales of airplanes and coal in 1981. Furthermore, a strong Danish harvest reduced the demand for import of fodder. US exports to Denmark was improved mainly by increases in the delivery of machinery and military goods.

The focal points of interest in the Danish-American trade relations will be the trend in the US economy, the exchange rate, and the American-European trade policies. The predicted recovery of the US economy will no doubt increase the US trade deficit, but hopefully at the same time diminish the pressure for new restrictions on world trade.

DACC ANNUAL MEETING

The annual meeting of the Danish American Chamber of Commerce will be held in the Ward Room at the New York Yacht Club commencing at 11:00 a.m. April 12, 1983. At the meeting, Chairman Lichtenhagen and all Committee Chairmen will present reports, Treasurer Karsten Hess will report, and elections will be held. All members are urged to attend.

Whether or not you plan to attend, you are earnestly requested to return the proxy which is attached to your notice of the annual meeting. This is so that we will be sure to have a quorum in person or by proxy as we cannot hold the meeting in the absence of a quorum. So, please do return your proxy in advance of the meeting.

The annual meeting will be followed by a cocktail reception and luncheon meeting which will be addressed by Under Secretary of State for Trade Relations, Ambassador K. Erik Tygesen, Ministry of Foreign Affairs, Copenhagen.

NEW FILING REQUIREMENTS WITH RESPECT TO FOREIGN INVESTMENT IN US REAL PROPERTY.

The IRS has issued Temporary Regulations requiring certain foreign investors in US real property either to file annual information returns or to enter into security agreements with them. The requirements are to assist the US in collecting the income tax imposed under the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) on gain realized by foreign investors (other than resident aliens or foreign corporations doing business in the US) in US real property interests.

The new requirements may apply with respect to Danish individuals or entities who directly or via ownership in other entities have an interest in US real property, including leases, in excess of \$50,000 or in a US corporation that has most of its assets in US real property.

Information returns for the calendar years 1980, 1981 and 1982 are due on June 21, 1983. Applications for a security agreement are due on a date to be specified in regulations expected to be issued in June.

Forms for the information returns are now available from the IRS along with filing instructions. No particular form has been issued for the application for a security agreement, but the IRS is expected to issue in the near future instructions describing standard provisions which could be included in security agreements. Where the regulations apply because the foreign persons have interests in an entity which owns US real property, the entity must disclose the identity of the foreign owner.

Jeppe Skadhauge, Legal Intern  
Chadbourne, Parke, Whiteside & Wolff



GALA BENEFIT AT CARNEGIE HALL ON JUNE 8 SHAPING UP.

The planning of the gala benefit performance at Carnegie Hall on June 8 has reached the stage where the program for the evening can be presented.

The program will be opened by the Soloists of the Royal Danish Ballet with "Songs without Words". After an intermission the Martha Graham Dance Co. will perform the ballets "Acts of Light" to the music of Carl Nielsen. Immediately after this an original score sheet from Carl Nielsen's Fifth Symphony will be donated to Carnegie Hall. The score sheet and a photo of the famous Danish composer will be hung just outside the concert hall where a number of this world's greatest composers are already represented. This ceremony will be followed by an intermission, and the last part of the performance will be opened by the newly appointed head of New York City Ballet, Peter Martins, and Linda Hindberg from the Royal Danish Ballet with the pas de deux from the Flower Festival of Genzano. The performance will be closed by the Soloists and Peter Martins dancing the pas de six and the Tarantelle from the 3rd act of Napoli.

The gala benefit performance will be followed by a gala dinner dance at the "Entrepid", the carrier that is now a floating museum on the Hudson River.

Tickets for the performance and dinner dance will be sold at \$150 per seat, and a limited number of boxes with 8 seats are available. Tickets for the performance only will also be sold.

For your reservation of boxes or seats please contact Mrs. Neel R. Halpern, The Danish American Society, c/o Ms. Dana Semoraro, Carnegie Hall, 881 7th Avenue, New York, NY 10019. You are advised to make reservations as early as possible as boxes and seats will be sold on a first come first serve basis.

The object of the evening is to create an exchange program for the American and Danish performing arts.

COPENHAGEN BOYS' CHOIR IN NEW YORK

The magnificent Copenhagen Boys' Choir that many of you will remember from 1976 is coming back to New York. On Tuesday April 26 the Choir will give a concert at the Cathedral St. John the Divine, Amsterdam Avenue and 112th Street, at 8 p.m. Tickets can be obtained through the Danish American Society or at the door. Tickets are priced at \$5 for adults and \$3 for children and senior citizens.

### THE TALL SHIP "DANMARK"

Not many chamber members will have a chance to visit with the "Danmark" this year on its annual visit to the East Coast. Due to early engagements in Denmark the "Danmark" will have to leave the US waters in late April. The proud ship will therefore only be able to make one East Coast call of port, and the fortunate city is Charleston, S.C. The ship will arrive there on April 23, and leave for Denmark on April 27.

### DANE TOPS THE BALLET WORLD

In the middle of March Peter Martins, who left the Royal Danish Ballet a number of years ago to seek new challenges and further his talents in the US, was appointed head of daily operations of New York City Ballet and ballet master in chief with the renowned Jerome Robbins. Peter Martins succeeds George Balanchine who has been forced to relinquish his duties at N.Y.C.B. due to ailing health. Peter Martins is 36 years old.

### HARBOR FESTIVAL '83

The theme for Harbor Festival '83 is "A SCANDINAVIAN AMERICAN SALUTE".

Daily noontime performances by Scandinavian artists will be held at the World Trade Center Plaza one week prior to July 4th. DENMARK DAY is Friday, July 1st, where Aarhus Pigegarde will perform; Carsten Svanberg, solo trombonist with the Danish Radio Symphony Orchestra will play, together with North Jersey Wind Orchestra, and Inga Hulgaard will sing.

Sunday July 3rd is SCANDINAVIAN HERITAGE DAY at Liberty State Park in New Jersey. The Danish performers on this day will be the same as on Denmark Day, July 1st. The program will also include performances by artists representing the four other Scandinavian countries.

JULY 4th. The parade, starting at 12 noon, will proceed from Battery Park up lower Broadway to City Hall. There will be several bands from the armed services, coast guard, army, etc. There will be a general float representing the Scandinavian community. "Miss Scandinavia" will ride on that float. Hopefully some of the Danish companies will enter floats in the parade. This is a great opportunity to advertise for your company as there will be TV and newspaper coverage. Aarhus Pigegarde will lead the Danish group. Anybody dressed in Danish folk costumes may walk in the parade as a group. After the parade there will be a concert at World Trade Center Plaza where music by Scandinavian composers will be highlighted.

This is the single largest Scandinavian event with the most publicity. The cooperation of the Danish community is needed to make this event successful.

For further information, please call Anita Rasmussen at the Danish Consulate, (212) 697-5101.

A LETTER FROM SOME OF OUR MEMBERS:

THE DANES WILL SHOW THE FLAG IN SCANDINAVIAN SALUTE TO AMERICAN INDEPENDENCE DAY.

On July 4th, 1983, and the week prior to Independence Day, the Danish community will participate in the Harbor Festival. This year's theme is "Scandinavia", arranged by the N.Y. and N.J. Port Authorities. The event is sponsored by the Danish American Society/Coordinating Council.

This presents a once-in-a-lifetime opportunity where everybody with a Danish background or ties to Denmark and Danish culture can gather showing Danish products, colors, culture and a willingness to endure. We who have committed ourselves to this event are calling upon all of you to donate time, manpower and money.

From a PR and advertising point of view you have a chance to show your product, organization or group. This is simply your opportunity to get advertising and national exposure at low cost.

We are expecting to have national TV coverage of the parade on Broadway, the concert at the World Trade Center Plaza, and the events taking place in Liberty State Park, N.J.

We need additional floats which show products and organizations' achievements. We simply need everybody with a little Danish in them to get up and out for a great cause and a great way in which to show the good Viking spirit.

Your suggestions, support and donations will be necessary for the proper success of this great event. The day will conclude with the fantastic Macy's 4th of July fireworks.

On behalf of the finance committee,

Leif Clemens Pedersen, Joseph Krentzel and Torben Høge-Jensen

"DENMARK EXPORT". NEW PUBLICATION ON FOOD AND BEVERAGES FROM DENMARK

In the preface to the new export catalogue called "Denmark Export" the Minister of Agriculture, Niels Anker Kofoed, says that export of agricultural products is basic to the Danish economy. Although Denmark is a highly industrialized country, agricultural products still account for more than one third of the total export earnings.

"Denmark Export" highlights the Danish dairy industry, the cattle and beef production, the meat inspection system in Denmark, the export of fish from Denmark, and many other interesting subjects.

"Denmark Export" is circulated world-wide in 40,000 copies, and is available from the Danish Consulates General in the US (New York (212) 697-5101).

#### MADS ØVLISEN, NOVO, NAMED BEST CHIEF EXECUTIVE

The Wall Street Transcript names Mads Øvlisen, President of Novo Industri A/S, the outstanding Chief Executive officer in the biotechnology industry for the past year.

The Wall Street Transcript's test of the performance of a Chief Executive is this: To what extent has he taken proper steps to enhance the overall value of the enterprise for the benefit of the stockholders?

Øvlisen is TWST's choice for top honors for the following reasons:

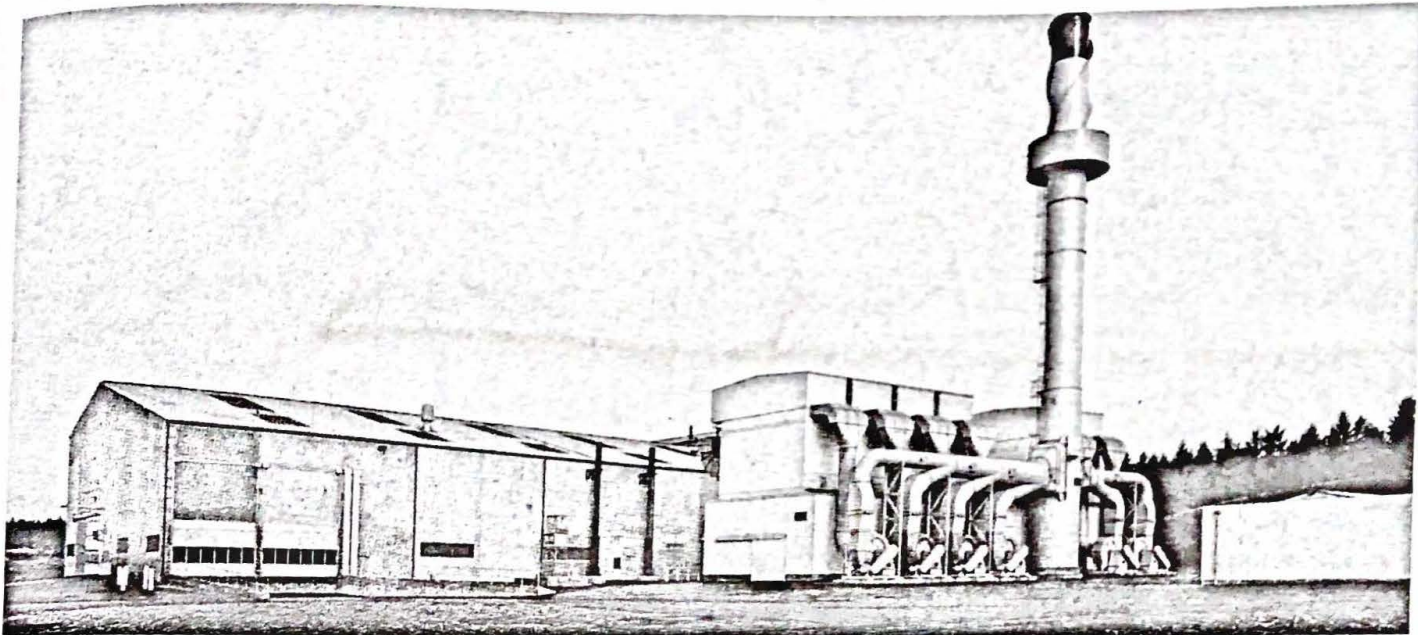
Starting from a comparatively small base in Denmark, he has helped build an international enterprise which is the world's leader in the production of enzymes for industry and the world's second largest producer (behind Eli Lilly) of insulin for diabetes patients. Novo is known for the high degree of professionalism in its management, while some of the other companies in the biotechnology sector are regarded as good research organizations which lack the management skill to achieve consistent profitability and growth. Novo had record earnings in 1980 and 1981 and is expected to report another record for 1982. While moving successfully in markets throughout the world, it has also moved into capital markets outside Denmark, including an underwriting of 1.8 million American Depository Receipts in 1981. The ADRs are traded on the New York Stock Exchange.

#### EAC AND BERGSØE HAVE BUILT WORLD'S MOST MODERN LEAD SMELTER IN OREGON

East Asiatic Company and Paul Bergsøe & Son have built a large and technologically highly advanced lead smelting plant in Oregon for the processing of lead from lead waste.

The new plant incorporates the most modern smelting technology while meeting the exceptionally strict environmental regulations in Oregon. The smelting process takes place in a so-called SB (Special Battery) shaft furnace which makes it possible to economically smelt the raw materials in the form of 100% whole acid-drained batteries, thus eliminating the process of breaking up and disposing of the highly contaminated battery cases. At the same time burning of the

plastic and rubber cases contributes to the heat in the furnace, thereby saving energy. In addition, the project includes various advanced pollution control equipment making the SB furnace the environmentally safest processing system available today.



The smelter has the world's most advanced pollution control equipment.

#### EAC SHIPS 182 HOUSES ACROSS THE ATLANTIC

East Asiatic Company's lumber/bulk carrier "Ponderosa" has transported 182 fully equipped "mobile homes" from Jacksonville, Florida, to Al Jubail in Saudi Arabia where the houses are to be used as accommodation for construction workers.

#### CHRISTIAN ROVSING A/S MARKETS CREDIT CARDS IN THE USA

Christian Rovsing A/S and Tokheim Ltd. USA have established a joint company, Rovsing Tokheim Corporation, Nevada (RTC Inc.). RTC Inc. are going to market and sell credit cards, initially to gas stations but later on also to supermarkets.

CHAMBER NEWS



POUL ESSEMANN KNIGHTED

The Commercial Counsellor of the Consulate General, Poul Essemann, was appointed Knight of the Order of the Dannebrog at a ceremony at the Consulate on March 3. The photo shows Consul General William Thune-Andersen pinning the decoration to the proud chest of Mr. Essemann. Anni Essemann checks that it is done properly. For those in doubt, the decoration is hidden behind the left hand of the Consul General. Approx. 100 invited guests witnessed the happy occasion.

TORBEN HUGJE-JENSEN AND PALLE LORENTZEN OPEN COMPANY FOR CONTRACT MARKETPLACE

Board member Torben Hujje-Jensen (former president of Cado Royal Systems, USA) and Palle Lorentzen (former president of Mira-X International) have formed a new company, TOP-GRADE, Inc. offering contract carpets and fabrics - domestic as well as imported. The two partners are well known in the designer oriented world, and as the name Top-Grade implies they offer the highest quality carpets, area rugs and woven fabrics to interior designers, architects, specifiers and decorative supply houses.

Messrs. Jensen and Lorentzen (see picture earlier in this newsletter) have also established a consultation service for both manufacturers and importers in the contract field.

Sales office: 29 King Street, New York, NY 10014.

Mr. Lorentzen is president of the Danish American Society.



JOSEPH KRENTZEL 75 YEARS

On March 22, 1983 Joe Krentzel celebrated his 75 year's birthday.

Joe is highly regarded in the Danish American community for his work in various Danish organizations.

He is president of the Danish Home for the Aged in Croton, N.J., president for the Rebild National Park Society and chairman for the Danish American Co-ordinating Council.

The Danish American Chamber of Commerce wishes Joe a very happy 75th birthday and many more active years.

PER. U. VRANUM FORMS HIS OWN FORWARDING COMPANY

Mr. Per U. Vranum, well known in the Forwarding Industry in the United States and abroad, and a long-time member of DACC, has announced the formation of COMBINED TRANSPORT SYSTEMS, INC., an International Freight Forwarder and Customs House Broker devoted to delivering highly personalized service based on over 25 years experience in the industry. Mr. Vranum, most recently president and CEO of a major International Freight Forwarding Company, has always believed that personalized service based on in-depth industry knowledge is the key to a strong and lasting client relationship. He brings to Combined Transport Systems, Inc. a high degree of expertise, dedicated to specialized service. Mr. Vranum said to the DACC Newsletter: "Actually, without putting it in so many words, the creation of Combined Transport Systems, Inc. and what it stands for, is what I have been building for in my 25 years in the business. It is my experience that as a Forwarding Company grows, more and more emphasis is placed on mass transport concepts, with the result that it becomes increasingly difficult to know each and every one of the clients and relate to their needs in a meaningful fashion".

OLE WISSING GOES BACK TO EAST ASIATIC COMPANY IN DENMARK

The president of East Asiatic Company, Inc., Mr. Ole P. Wissing, has been called back to a top position in the trading division of the parent company in Denmark. He will be succeeded by another well known Dane in the Danish American business circles, Mr. Hans Peetz-Larsen, who up until now has been president of East Asiatic's most successful US operation, Heidelberg Eastern Inc. Heidelberg Eastern sells graphic machinery in the US.

OBITUARY

Honorary chairman of the Danish American Trade Council, Baron Gustav Wedell-Wedellsborg, died on February 3rd, 1983. Baron Wedell-Wedellsborg worked with East Asiatic Company. From 1940-1970 he was president and member of the Board of Directors in New York. He has also been board member of Scandinavian Airlines System and American Scandinavian Foundation. Baron Wedell-Wedellsborg was Commissioner General of the Danish Pavilion at the World Trade Fair in New York, and was Knight of First Class of the Order of the Dannebrog.

NEW MEMBERS

We welcome the following new members of the DACC:

CORPORATE MEMBERS

Mr. Mogens Larsen  
41 Mile Road  
Suffern, NY 10901  
(IBM software)

Mr. Christian Bardram  
Badram International Inc.  
P.O. Box 38  
Roseland, NJ 07068  
(Hospital and Laboratory supplies)

Mr. Bjarne Mikkelsen  
Travellers International  
Two Executive Drive  
Fort Lee, NJ 07024  
(Viking Vacations)

Mr. Wim van Barneveld  
Bruel & Kjaer Instruments, Inc.  
185 Forest Street  
Marlborough, MA 01752  
(Sound instrumentation etc.)

Mr. H. Jacob Skadegaard &  
Mr. Torben Friis Madsen  
SXI International, Inc.  
1299 US Route 22 East  
Mountainside, NJ 07092  
(Import, marketing & sales)

INDIVIDUAL COMMERCIAL MEMBERS

Mr. Hans M. Bredholt  
Peter F. Heering A/S  
187 Stamford Avenue  
Stamford, CT 06902  
(Supplier of fine liquors)

Mr. Jens V. Thomsen  
Scanticon-Princeton  
Princeton Forrestal Center  
Princeton, NJ 08540  
(Exec. Director of Oper. Services)

Mr. Lars Molte Jakobsen  
423 W. 118th Street, Apt. 2F  
New York, NY 10027  
(Graduate Business student at  
Columbia University)



COMING EVENTS

- April 12 DACC Annual Meeting and luncheon. Guest speaker: Under Secretary of State for Trade Relations, Ambassador K. Erik Tygesen, Ministry of Foreign Affairs, Copenhagen.
- April 23-27 The Tall Ship "Danmark" in Charleston, S.C.
- April 26 Copenhagen Boys' Choir at St. John the Divine.
- June 5 Danish American Co-ordinating Council organizes GRUNDLOVSDAG at the Danish Home at Croton-on-Hudson, NY.
- June 8 The Soloists from the Royal Danish Ballet at Carnegie Hall.
- July 4 Harbor Festival 1983.

BUSINESS OPPORTUNITIES

The following Danish manufacturers are looking for importers/agents in the US:

HIGH PRESSURE CLEANERS, 84/21 MJ

DYING MACHINES (for textiles), 84/40 MJ

CONTAINER LOCKS, 83/01 MJ

LOGSPLITTERS, 84/24-25 MJ

CAULKING GUNS (for professional use), 82/01-07 MJ

LOUVRED CUPBOARD DOORS (for kitchen cabinets), 94/00 MJ

MACHINE TOOLS, 84/43-48 MJ

GREENHOUSES, 73/21 MJ

PANEL STACKERS (for furniture factories), 84/22:10 MJ

BRAKE TESTERS, DYNAMOMETERS AND AUTOMOTIVE LIFTS, 84/22:9 MJ

GARDENING TOOLS, 82/01-07:4 MJ

SALT AND GRAVEL SPREADERS, 84/23:5 MJ

GRANITE LETTERS, 25/14-16:1 MJ

OIL CANS (plastic and metal), 82/01-07:3 MJ

LAMP FIXTURES, 85/20:7 JJ

SWEATERS, 85/20:7 JJ

PRESCRIPTION GLASSES (drugstores and mail orders), 90/03-04 JJ

COLLECTION PLATES, 69/13 JJ

CANDLES AND CANDLEHOLDERS, 83/07:3 JJ

PLASTIC JEWELRY, 70/09:1 JJ

MARGARINE (institutional bakery), 15/12-13 JJ

WOODEN KITCHEN UTENSILS, 44/24:2 JJ

KEROSENE BRASS LAMPS, 83/07:2 JJ

CAKES, 19/07-08:1 JJ

For further information please contact Jan Jacobsen (JJ) or Michael Jørgensen (MJ) at the Danish Consulate General, (212) 697-5101.

OFFICE SPACE AVAILABLE

Furnished room to rent at the offices of Scandinavian Girl, Inc. - a temporary office services company - conveniently located near Grand Central Station. Beautifully decorated office in modern Scandinavian Design with complete facilities: reception area, telex, telephone answering service, secretarial assistance etc.

For further information, please contact Mr. Juri Vilval at:  
(212) 949-1200.

## Danish Conservatives Bolster Economy With Blend of Fiscal Austerity and Luck

By ALAN L. OTTEN

Staff Reporter of THE WALL STREET JOURNAL

COPENHAGEN, Denmark—When 53-year-old Poul Schlüter last fall became Denmark's first Conservative Party prime minister since 1901, most news stories described him as intelligent, articulate, personable, a mediator.

Another quality, however, may be proving at least as important in explaining the success he seems to be having in addressing some of Denmark's worst economic problems: luck.

Certainly he and his government, a minority coalition of his own party and three smaller center-right parties, took quick and decisive action to reverse or at least brake some of the debilitating economic trends started under the previous seven years of Social Democratic rule.

Mr. Schlüter's government suspended for two years all indexation of wages, salaries, pensions and a number of other payments (most Danes think indexation will never return). It limited government wage increases, which had long been mushrooming, to 4% a year this year and next, and called on private companies to follow suit. It pledged no general tax increases, and promised a small, one-shot tax cut if wage settlements stayed low.

To bring down a 1983 budget deficit that under the Social Democrats threatened to reach a record 14% to 16% of gross national product, the new government cut about \$2.32 billion off the projected spending plans, including cutbacks in benefits for unemployment and sickness and an impressive slowing of the rise in public employment. The result is a 1983 deficit of something under \$3.12 billion or about 13% of GNP—wider than the 1982 figure but not quite as bad as it would have been otherwise.

The Schlüter government has been lucky, too. Denmark is the European Community's largest net energy importer, and the recent decline in oil prices, plus an unusually mild winter, have been major factors in bringing a sudden improvement in its worrisome international payments deficit. The 1982 deficit was \$2.32 billion, and earlier forecasts for 1983 were about \$2.09 billion; now economists think it could slim to \$1.62 billion or even less.

### Interest Rates Fall

The fall in world interest rates caused a sharp drop in rates in Denmark, once people here and abroad saw signs that the new government meant business. The government bond rate, 21% to 22.5% last fall, has since fallen to about 15% and is still heading down.

Danish unions, frightened by loss of export markets and by unemployment that had risen to 10%, approved with surprising speed the low pay rise pattern sought by the government, giving promise of improvement in Denmark's competitiveness in world markets. Stirrings of economic recovery in the U.S. and Western Europe hold out further hope for Danish exports and therefore for Danish employment.

"It is a mixture of luck and what they have done themselves," argues Erik Hoffmeyer, head of Denmark's central bank. "They came in at the right time, but also the measures they took had not only economic impact but psychological impact that was very important."

"Lucky? No doubt about it," says Henning Dyremose, the Conservative Party spokesman in Parliament. "But the difference between the present government and the former government is that we believe we can influence developments ourselves as well."

Whatever the reason— austerity policies, luck or a combination of the two—there clearly is a change in the Danish economic climate, a surge of optimism replacing the considerable pessimism of just a few months back. Economists are revising upwards all the forecasts made as recently as December. Whereas they were then predicting a no-growth economy for 1983, now they are talking of perhaps a 1% to 2% increase this year, with an increase in exports and private investment more

than offsetting a drop in public and private consumption.

"These changes in the composition of the gross national product are all in the right direction, too," says Torben Nielsen, chief economist at Privatbanken A/S.

Denmark's economic troubles essentially date from the first oil crisis, but worsened steadily as the Danes refused to give up the generous cradle-to-grave welfare system they had built in the 1950s and 1960s. Seven Social Democratic years starting in 1975 pushed up government spending and payrolls; despite tax increases that kept the Danish tax burden among the world's highest, annual deficits and total debt swelled.

Naturally, the costly oil imports and other high consumption of imports also steadily increased the international payments deficits and the foreign debt. By the end of 1982, foreign debt had reached \$16.34 billion, and interest payments of over \$2.68 billion a year almost equaled the entire international payments deficit.

In the December 1981 general election, the Social Democrats lost ground to a further-left party, but still had the largest share of the vote. Denmark has nine parties in all—and managed to form a minority government. Social Democrat Prime Minister Anker Jørgensen tried to adopt a more austere fiscal policy, with spending cuts and tax boosts, but some of his troops in Parliament balked, and last September he threw in the towel.

Mr. Schlüter then was able to put together a Conservative-led minority coalition government. Its four parties have 66 of Parliament's 179 seats, but with the support of two other small nonsocialist parties with 25 seats, it has been able to put through most of its program.

Businessmen and bankers say that thus far the government has really just begun to slow the deterioration in Denmark's situation, and that it will take a lot more strong economic medicine before they breathe easily.

### An Early Election?

Mr. Schlüter's next big test will probably come late this year when Parliament votes on the 1984 budget, and many politicians think he will have a tough time gaining approval of the further deep budget cuts he has promised to propose. If he is beaten, he will almost surely decide to call new elections even though an election isn't required until December 1985.

There are indications, however, that the Social Democrats may not be too anxious to force an early election because they have policy and leadership problems to have straightened out first. Moreover, some political analysts believe the party's strategy all along has been to give the Schlüter government plenty of time to cut benefits, hold down wages and do the other unpopular things that need to be done—and then make a move when public sentiment begins to swing against these policies.

There is a problem with that strategy, of course. The government's policies, and of course the government's luck, might get the Danish economy moving steadily along the road to good health. Then, instead of throwing the rascals out, the Danes might decide to keep them in.

