Denmark did it! by Lancastr M. Greene

The passing of Denmark's Viggo Starcke last March 22 deserves special notice.

When Dr. Starcke's Justice Party won nine seats in the Danish legislature in the general election of 1957, he became the premier, heading a coalition government. Before the election, Denmark had suffered an annual inflation rate of 5% with unemployment at 10%. In the following three and a half years under the Starcke Government, the jobless rate was pushed down to 3% and the pace of price rises was reduced to less than 1% a year.

From the outset the Starcke Government had promised to collect the unearned increment derived from rising land values. A land reform law was introduced. No one could expect to benefit from speculation in location values. Land speculation came to an immediate halt. For three and a half years, purchasing media could be earned in Denmark only through production. Hence there was no longer surplus purchasing power to push up prices and the price level became stable.

The great improvement was noted by historian Henry Steele Commanger, writing in the New York Times of October 2, 1960: "Big lesson from a small nation" was the headline on a story about Denmark's setting an example for other countries. After tremendous expenditure by land speculators, the opposition parties were induced to repeal the law in 1964. By 1965 the consumer price index was climbing at an 8.6% yearly rate.

This lesson should be taken to heart here, where a corporate executive – Arener E. White of Contex Industries, Inc. – can tell the New York Society of Security Analysts that it is easier to make money in land than in building.