

can such communities build the roads, water supplies, schools, etc., on which developed societies depend.

A number of countries undoubtedly need a higher overall population for their balanced development. In tropical Africa there are nine countries with a density of less than ten per square mile and twenty-seven countries with less than fifty per square mile. Twenty-five African countries have less than five million inhabitants. No country in tropical South America has an average population density of over fifty per square mile, and the same holds good for temperate South America. In a major U.N. General Assembly debate last year, the delegates of many countries, notably Argentina, Bolivia, Brazil, Central African Republic, Iraq, Libya, Madagascar, Peru, Senegal, Sudan and Syria, considered themselves underpopulated.

The Progress of Poverty

Robert Clancy

"The number of people in the U.S. on welfare has doubled within the past decade and the trend is still upward."

SOME YEARS ago Professor J. K. Galbraith popularized the terms "private sector" and "public sector." He contended that the public sector (government) was being short-changed while the private sector (private business) was enjoying affluence.

It may not have needed a boost from Professor Galbraith, but the public sector, which had been growing steadily anyway, has continued to grow at an increasing rate. President Nixon's latest federal budget exceeds the entire Gross National Product of not many years ago (although in terms of inflated dollars).

There has been little effort to define "public" and "private" sectors. It would seem that whenever a need or desire arises that calls for large sums of money, it becomes "public". There is little left for which government aid is not sought. Whether it is a matter of building a house, growing a crop, keeping healthy, or sending children to school, the current "remedy" is to turn to the government. And since cities and states are running out of money, there is an increasing rush toward the federal government - even though it too is running a large deficit this year.

But this does not at all indicate so much affluence in the private sector that people are becoming better disposed toward the public sector. Quite the contrary: it is precisely because people are finding it increasingly difficult to take care of their everyday needs that more public aid is being sought in nearly everything. There are very few - even among those waging campaigns for more government aid - who do not make every effort to pare down their income tax by using all the angles and loopholes. There are very few who

So in many poor countries, as in the United Kingdom, the problem is not one of overpopulation but of an imbalance of population, with urban crowding existing side by side with rural depopulation.

That so many simplistic ideas about the "population problem" abound is in no way surprising: mental laziness often induces people to seek simple panacea solutions (such as "population control") to complex socio-economic problems. Nevertheless, if we are to mount a constructive attack on the social evils so often mistakenly ascribed to overpopulation, it is essential to keep the issue clearly in perspective. The worst aspect of the current wave of "population explosion" hysteria is its unfortunate effect of distracting attention away from the real roots of today's problems, thereby making their solution doubly difficult.

are convinced that their own sector is doing so well that they want to give more to the public sector.

In fact, it looks as though the reverse is taking place. As government is reaching out to appropriate more of the nation's wealth, individuals are also seeking all the more frantically to appropriate more. As the government approaches rapacity, so does the individual. One is reminded of the last days of the Roman Empire when public finance degenerated into a pitched battle between men of wealth and tax collectors, with the common man squeezed between.

When public funds are appropriated for some new scheme for which there has been great agitation, it has become commonplace - it is even expected - that there will be favouritism, padded bureaucracies and mis-appropriation of funds. This has been the sad story of programme after programme. Public spirit has by no means accompanied the growth of the public sector!

It might be supposed that earning a living is one thing that clearly belongs to the private sector. Yet a rapidly mounting item in government costs is "welfare" - which has come to mean public hand-outs to people who are out of work or otherwise indigent. The number of people in the U.S. on welfare has doubled within the past decade and the trend is still upward.

Although President Nixon's voice shook with anger when he heard of a welfare recipient who refused to work, this is not typical. Most are mothers (widowed or deserted) with small children, handicapped and disabled persons, the abandoned young and the abandoned old, the unskilled, and the many who simply cannot find work. If there is any anger to spare it

ought to be over these conditions. But anger or no, the situation persists and is not improving.

The theory that poverty is the fault of the poor people has been given a jolt recently with the growing number of high level persons who are suddenly without jobs or prospects. A large number of executives and engineers - for example in the depressed aerospace industry - are finding it difficult to get even humble jobs and have been going on welfare in increasing numbers.

It is remarkable that our public leaders are accepting this situation and are telling us from year to year how critical the situation is and how everything must be cut back. It is perplexing that they can think of nothing other than more taxes and more spending when it is so clear that this course only compounds the problems. It is amazing that they do not raise the question of *why* a society - especially one that is presumably so advanced - cannot generate the means to keep itself going without the continually recurring conflicts, breakdowns and financial crises. They simply act out the same charade that goes on in every bar room - looking for someone to blame which always turns out to be some other level of government than the one for which they are responsible.

The present system of public finance can only lead to more woes. Gouging more out of the taxpayer

only drives him away - either by running away from high-tax areas or defending himself with "cheating" (a relative term - who is cheating whom?) if necessary. Appropriating huge sums for a problem does not automatically solve that problem as seems to be so fervently believed by so many - more typically it enriches those who are already rich, and also attracts a horde of minor grafters - leaving the main problem unsolved, or frequently worse than before. This has been the pattern in poverty and welfare programmes, rehabilitation and training, housing and urban renewal, and a host of other projects.

The task of finding a better method of public finance is long overdue. More attention must be paid to the proper spheres of public and private sectors. The less encroachment there is on private earnings for public (or pseudo-public) purposes, the better. There is a suitable fund, publicly created, which should be tapped for public purposes. That is the value of land which arises and grows from the presence and activities of the population. It flourishes with the community and its use for public purpose further enhances it.

Increased public appropriation of the value of land through taxation would go a long way toward straightening out the confusions, fallacies and malpractices of our present way of dealing with private and public sectors of the economy.

Germany : High Land Costs and the Remedy

Summary of a Report given by Gustav Bohnsack to the International Congress of Surveyors 1971.

REAL estate prices in the areas of concentrated urban development are increasing at a much higher rate than real estate prices in other areas. These high real estate prices cause a further increase in rents with the share of the real estate cost ranging between 25 and 50 per cent of the overall cost. In some areas the high real estate prices are obstacles in the way of the best possible urban planning, sometimes even preventing the final realization of such planning.

Recent jurisdiction of the Federal Constitutional Court clearly shows that the legislator has not accomplished the mission implied in Article 14 of the Basic Law, according to which scope and constraints of ownership should have been defined so as to ensure that the use of property benefits the general public. For purposes of legislation it has been explained that in the case of a requisition of real estate it would absolutely be in accordance with the Constitution if the compensation were cal-

culated on the basis of the actual objective land value and not on the basis of a value derived from some speculative use. (This means that, if a tax were levied on the value as estimated by the owner himself, this tax value would be fully adequate as a compensation).

At the present time, a very limited supply of building sites contrasts with a large demand, especially in concentrated areas. An increase in prices, growing scarcity, and retention of building sites in an otherwise free market leads to prices for building sites that are out of proportion compared to the general price structure. This situation is due to a lack of proper market control. There should be some kind of control aiming at a correction of the present unbalanced market situation, i.e. at an increase in real estate supply.

The following control elements are suggested: A land-value tax (lvt) to replace the present real property taxation without changing

the overall tax revenue. This land-value tax to be levied on the land only, while buildings or other structures and improvements, i.e. investments made by the owner, are untaxed. Land-value tax to be levied on the basis of the actual market value, which is to be determined by assessments made by the owners themselves every two to five years and subject to verification.

Publication of the tax value of real estate together with approximate average values. Compensation for requisitioned real estate to be calculated on the basis of the actual taxed land value. Land-value taxation prevents hoarding of real estate and ensures the best possible urban planning. The direct result of such a taxation will be a drop of real estate prices in the case of sales and, in addition, an increase in the supply of building sites. It guarantees low real estate prices at the time of a first use for urban planning and prevents disproportionate price increases later on.