PRIVATE SMALLNESS v. PUBLIC BIGNESS

W. E. Pereira writes from Los Angeles

CURRENT news items about the 160-acre limitation laws covering agricultural lands irrigated by federal projects reminded this writer of some things written in a book that is considered to be one of the best in its field: *The Territorial Imperative* by Robert Ardrey, published in 1966 by Atheneum, New York. On page 114 he makes a direct reference to California:

> "Many years ago I visited an enormous corporation cotton farm in California's Central Valley. Water was drawn from wells 2,000 feet deep, costing $65,000 each. The resident manager shrugged off the entire giant enterprise. 'It's all in the cost of the wells,' he said. 'A normal water supply and this place would be subdivided tomorrow. Nobody can compete with a farmer on his one hundred and sixty acres.'"

Ardrey wrote about the apparent success of a kibbutzim he visited in Israel, *Gan Shmuel*, the Garden of Samuel. 400 adults farmed 1,200 acres and in the year before Ardrey's vsit, produced crops valued at about $1.5 million. Ardrey then visited a private farm on comparable land only a few miles away. A Polish doctor and his son and their wives worked thirty acres. Productivity per acre was about the same as at the kibbutz, but Ardrey was struck by a difference. On the collective farm it would have required nine adults to work thirty acres; on the pair territory in the Soviet Union. Ardrey inquired about this. The former Polish doctor explained, "Well, *they* work eight hours a day."

Ardrey commented about Russia. Tiny plots are permitted for family cultivation. He called it the last bedraggled remnant of the pair territory in the Soviet Union. "Today (1966) the private plot averages half an acre in size," Ardrey wrote. Without it Russia would starve. With private plots occupying about three per cent of all Russian cultivation they produced almost half of all vegetables consumed, almost half of all milk and meat, three-quarters of all eggs, and two-thirds of that staff of Russian life, potatoes.

A recent newspaper farm article quoted Gene Senoor, a Kansas Farmer: "You just can't produce food as cheaply as we do when you only work a corporate forty-hour week." In a recent Mobil advertisement (10/9/77) we found this:

> "Soviet farms also suffer from being too large, adds agronomist Ronaki Nairn of the Woodrow Wilson International Center for Scholars: they're generally run by planners too far away to make quick, critical decisions. Russian farmers produce prodigiously on their own private garden plots but not on the 'collectives', demonstrating once more that free enterprise is a powerful economic spur to producing bounty for all."

These things all illustrate that there are vast diseconomies of scale; the inevitable operation of the law of diminishing returns. We see it in government, we see it in agriculture, we see it in education.

Every advantage, whether federal water, crop supports, subsidies, and numerous specific actions, inheres in the value of land—location value. Many of the distressing circumstances with which we cope now would not exist were our laws so devised that economic rent-to-land accrued to public rather than private purses, leaving free of burden the wages to labour, and the legitimate return to capital. The questions would become moot! The device? Not necessarily acreage limitation, not government ownership. Just enlightened location-value taxation.

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PUBLIC INVESTMENT— PRIVATE ENRICHMENT

(*From* Grondvest, *Holland, 3rd quarter, 1977. Translated from the Dutch by Basil Butterworth*)

LOCAL rail and tramways in Germany are working at a loss. According to the *Algemeen Dagblad* of 29 April 1977 this applies to 125 undertakings. When it was decided to close these businesses the value of their shares suddenly shot up four or five times. Why?

The land under stations and tracks becomes available for sale. Sometimes a half to one-and-a-half millions a square metre. That seems like a gold mine! For whom? For the shareholders in these undertakings that have been making a loss all these years. Since the rail and tramways were laid down, the community has developed in such a way that the land is now worth much more than it was formerly for train and tram traffic.

The citizens have, as members of the community, caused and paid for the increase in value. Are they now going to get their money back?

Not at all! If they want to use a piece of the former rail or tram way, they will have once again to put their own investments, made through taxes, on the table. On an individual table!

What can the citizens who are conscious of this injustice do against it? They can exert pressure on local governments and council members and demand the improvement of the renting system. They can point out to Government and Parliament the possibility of improving the Real Property Tax by placing the whole levy on the land and making the building free of tax.

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THE BENEFICIARIES OF DEVELOPMENT AID

EXPERIENCE confirms the fact that tenurial arrangements in the project area have an important bearing on the success of projects. The reason is that all projects alter the distribution of gains from the land; unless there are adequate safeguards built into the project, the weakest landholders are invariably at a disadvantage. A project which is in an area of smallholders who own and operate their own land, or who have secure rights to land, tends to benefit the producers. In areas of absentee ownership, however, where the land is operated by sharecroppers or by tenants who do not have security, the benefits from increased investments and higher output are not necessarily realised by the producer. Experience has shown that, when projects have provided profitable opportunities,