

Japan's Housing Shortage

THE New York Times correspondent, Takashi Oka, in a January 4th dispatch, relates how residential property in that city which sold for \$1 a square foot just after the war, now costs \$150 to \$200 a foot. He tells of the Takeda family of four who have for years been living in a one-room apartment, tiny in size, yet filled with their television, washing machine, refrigerator, sewing machine, large chest of drawers (in which the children sleep), chest after chest of clothes, and a toy automobile large enough for their six-year old son to get into.

Although Japan is so prosperous that the economy has become the third largest in the world, low income groups are squeezed by the land costs which have progressively forced rents up. A government survey showed that of the more than 800,000 families in Tokyo living in one room, half of the apartments are less than 108 square feet in size. Residential construction proceeds apace and there is some governmental assistance. An apartment in a privately erected building costs about \$183 a month. Mr. Takeda earns \$280 and his wife about \$70. One small maker of straw mats was able to sell his house and 1,800 square foot lot for \$280,000 for use as a parking lot for an adjacent office building.

It is not difficult to relate this condition to the evil of high land prices which is evident everywhere. Land speculation, its cause, drains the life blood of the economy and creates burdens increasingly difficult to bear. Unless land speculation is eliminated or checked present living standards are surely in jeopardy.

All students of Henry George are aware that a corrective measure is available. Adopting a system of land value taxation and taxing all improved and unimproved land of equal quality at equal rates would put an end to unconscionable land speculation. New construction would be accelerated and the Takeda and Smith families would enjoy adequate elbow room at prices they might afford.

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The New York Dilemma

INFLATION has been eroding purchasing power (wages) for the last ten years at the annual rate of 5 percent. The return per invested dollar has been steadily falling. Profits are becoming harder and harder to come by.

All this is known and discussed. What is not discussed is the fact that the most rapidly accelerating factor in the economy is rent. The