

Japan's nightmare – a land price explosion

PRIME MINISTER Yasuhiro Nakasone lost 36 seats in the general election he was forced to call because of the row over Kakuei Tanaka.

Tanaka, the land speculator and former Prime Minister who was convicted of taking bribes from Lockheeds, returned to the Diet with an increased vote – and an even firmer grip over the ruling party's destiny.

To stay in power, Mr. Nakasone has had to do a deal with one of the minority parties.

Meanwhile, the government has proceeded with plans to liberalise foreign investment in Japanese real estate.

Land speculation was primarily responsible for the downturn in the Japanese economy in 1973 (see our report, Jan-Feb. issue).

The first big foreign deal in real estate under the new laws is a joint venture between a British investment trust and a Tokyo-based development company.

But the immediate threat to Japan's real estate sector may come from Hong Kong. Professor Ken Hanayama of Tokyo's Institute of Technology told *Land and Liberty*:

"The removal of controls on foreigners will accelerate land price rises, particularly in the downtown areas.

"But a nightmare that scares me most is the possibility of a large amount of Chinese money flowing in, before the status of Hong Kong is decided between China and Britain.

"This might trigger a general and rapid land price rise just like the one that happened in 1971 and 1972."

Land hunger

THE REAGAN Administration suffered a severe blow when right-wing parties in El Salvador pushed through an amendment to the war-torn country's land reform programme.

The new constitutional measure cuts by half the amount of land available for redistribution. Local observers fear that this will force more peasants into the hands of the guerrillas who seem to be winning the civil war.

For four years now, Washington has declared that, without the offer of hope to land-hungry peasants, the guerrillas will triumph.

The country goes to the polls this month with even fewer people believing in the possibility of achieving justice through the democratic processes.



● Premier Nakasone



● Ken Hanayama

Communists use land to fight back

COMMUNISTS who lost heavily to the socialists in Spain's elections in October 1982 are exploiting agrarian unrest in a bid to make up for lost ground.

Andalusia, in the south – where 50 per cent of the productive land belongs to 2 per cent of the property owners – is the flashpoint.

The communist-led agricultural workers' commissions recently completed a 40-day, 900-mile march to attract public sympathy for their plans to break up large estates.

And the agrarian workers' syndicate (SOC), which has led a campaign of land occupation and hunger strikes in recent years, has called for the common ownership of land.

The Madrid government supports a bill on land use drafted by the regional government, but the communists and SOC leaders say this would merely transfer the management of State holdings from Madrid to the regional government's agricultural department.

About 160,000 workers in the south are classed as landless labourers, and the communists expect to exploit their grievances to advance their political standing in Spain.

Mass transit: 'tax the landowners who benefit'



● Mary Rawson

WHO BENEFITS – and ought to pay – when a community invests billions in a new mass transit system?

The search for answers is now made much easier by Mary Rawson's valiant efforts.

She has compiled an annotated bibliography which has been published by the Centre for Transportation Studies at the University of British Columbia.*

The Centre's Director, Professor Trevor Heaver, quotes Prof. A. C. Pigou in his foreword:

"... [if] the State commandeers a piece of land to enable a tramway to be built to the outskirts of a town, with the result that the surrounding land is made more valuable, the owners of the surrounding land ought plainly to pay."

Yet, as Prof. Heaver notes, in spite of the appeal of this notion, "the owners of land which increases in value because of transit services are rarely called on to bear a special share of the costs."

*Mary Rawson, *Transit: The Nature and Role of Localised Benefits*, Vancouver, 1983, C\$5.