

LAND TENURE IN HONG KONG

All land in Hong Kong Island and that part of the Mainland ceded to the British—Kowloon—is Crown Land owned directly by the King. The rest of the Colony, New Kowloon and the New Territories, are leased from China for 99 years from 1899. All land is held by the Crown and only leased or let on permit to private individuals for various periods and purposes. Unfortunately in the early days the Government granted 999-year leases on sites now in the centre of Victoria at very low rentals and we now find land, worth \$500 per square foot if sold, leased at \$10 per acre! Hence the immense fortunes made in the past by the Directors of Jardine Mathiesons, etc. Other areas have been leased on 75-year leases and most of those are now falling in, during the next 10 to 25 years. These leases are non-renewable in most cases and consequently the Government is entitled to the return of the land and to the handing over in good condition of the buildings thereon. Unfortunately, again, in view of the destruction in the Colony and the desire to rehabilitate that place, the Government issued a statement saying that they would renew these leases at pre-war values. In other words the lessee pays a premium based on a pre-war valuation of the land (a rather arbitrary valuation!); and if his house was damaged he gets this premium back up to half the cost of rehabilitation and pays an annual crown rent also based on pre-war valuation. Hence to renew the lease of a certain area having a building on it which would come to the Crown say in 1950, one may pay 50 cents a square foot premium and a rent of \$500 (£30) per acre, but if a new lease for vacant land is taken out now, the Government will charge the present price of, say, \$1½ to \$2 a square foot and a rent of \$2,000 per acre.

All present leases are for 75 years with the option to renew for another 75 years at a reassessed Crown rent. (This does not apply to land in the New Territories and New Kowloon where leases are given only up to the date when the present lease with China expires in 1998.

In addition to leases the Government also grants permits on a monthly or yearly basis for certain purposes. Most cultivation of land, working of quarries, small mining operations, petrol pump stations, etc., are on permit with an annual or monthly fee depending on the value obtained from the land. This system has the advantage that the fee payable can be kept in true relation to the value of the land and that a permit is only given to the person wishing to carry out the work. Hence, in theory there can be no rack-renting since if someone is found to have sub-let his permit or someone can show that he is working the land and not the permittee, then the permit is immediately cancelled and a new permit issued to actual user of the ground. Unfortunately, in practice the people are too ignorant in many cases, too poor or too afraid to raise the matter with the proper authorities, supervision is insufficient and liable to corruption, that, in fact, considerable rack-renting takes place.

In the past and even now the general (mistaken) policy is to collect the main revenues in rates. Hence the land is leased at a rental lower than the true annual value of the land, and a covenant in the lease demands that buildings to a certain value shall be erected in a certain number of months. These buildings are then rated at 17½ per cent. of rateable value. Thus, Government lets land cheaply in order to encourage development and then fines the person for developing, having first stated the minimum it is prepared to accept in way of fine.

It was announced in the House of Commons recently

that a Municipal Council is being set up to govern Victoria. The finance to run this Municipal Council could be raised by taxing the difference between the true annual value of the land in the city and the ground rents now being paid to the Government. The city would thus finance its own local government from its community created value. This sum would be sufficient to render the Municipal Council independent of the Government in the matter of financial assistance.

JOIN OUR INTERNATIONAL

THE INTERNATIONAL UNION FOR LAND VALUE TAXATION AND FREE TRADE (Mr. Ashley Mitchell, Hon. Treasurer) invites enrolment of readers of LAND & LIBERTY everywhere, the minimum membership fee being 5s. (or \$1) yearly with supplementary donation of any amount for aiding its work. The objects of the Union are thus stated: "To stimulate in all countries a public opinion favourable to permanent peace and prosperity for all peoples, through the progressive removal of the basic causes of poverty and war, as these causes are demonstrated in the writings of Henry George. Specifically, towards the realisation of these objects, the Union favours the raising of public revenues by taxes and rates upon the value of land apart from improvements in order to secure the economic rent for the community and the abolition of taxes, tariffs, or imposts of every sort that interfere with the free production and exchange of wealth."

In addition to the membership fee there is the subscription (5s. or \$1 yearly) for LAND & LIBERTY payable by the members who desire to have it.

President of the Union, E. J. Craigie, Adelaide; chairman of the Executive, Austin H. Peake, England; hon. treasurer, Ashley Mitchell; secretary, A. W. Madsen.

HON. P. J. O'REGAN

We regret to have to report that the Hon. P. J. O'Regan, who had been ailing for some time back, was taken to hospital on April 5th and died on April 24th. He was in his 78th year. His name will be for ever associated with the advocacy of the Henry George cause and the steady progress of its practical adoption especially in the field of local taxation. Heading the movement right from the beginning when the 1896 Act was passed giving the necessary powers, he has lived to see the Rating of Land Values operating in 222 of the 527 local authorities, including 80 of the 127 boroughs and 57 of the 125 counties. It would be difficult to over-estimate the service he has rendered by virtue of his legal talents and his masterly ability to expound both the moral and economic principles involved. On the judicial bench he presided over the Arbitration Court from 1937 to 1940 and over the Compensation Court from 1940 till his retirement in 1945, honoured by the high tributes which the members of the Bar paid him. In 1946 he was appointed Member of the Legislative Council. It was in his early thirties, after he had been six years in Parliament, that he decided to enter the legal profession in which he was later to achieve such success. Henry Georgeists, however, hold him in higher honour still for his constancy and zeal in their field of social endeavour, which he cultivated so ably and efficiently. By religion he was a Catholic, and of his many writings in exposition of the Henry George Theory (setting much controversy at rest) the most notable are the extensive contributions which appeared in the *New Zealand Tablet* between February and November, 1943. It was a long series of articles which we hope it may be possible to bring together in book form, for they would make a most valuable addition to the literature of the movement. Lately we mentioned the excellent survey which he had made of the practical application of Land Value Rating in the Dominion, printed under the title, *Rates and Rating Systems Compared*, copies being available for any interested reader of this Journal. We cherish his memory, and to Mrs. O'Regan and her family, we convey sincerest sympathy in their bereavement.