

on a voluntary basis and at a pace which does not threaten them with biological or cultural extinction.

SAO PAULO is the living indictment of a system which refused to recognise the justice of equal rights to land. During the 19th century, while the southern states of Brazil at least carved out many smallholdings for immigrants, in Sao Paulo the land was held by a few owners of large estates growing coffee.⁴ Immigrants were needed—as labourers on the plantations! Today, the giant multi-national firms as well as Brazilian entrepreneurs exploit natural resources and the people. The latter have no land rights to fall back on. Fifty years ago there was an incredible re-emigration rate to Europe: this route is closed now, and the people are trapped in the concrete canyons.

Nor are we, in Europe and North America, disinterested observers of what is going on in the Amazon basin. As my DC 10 soared northwards back to New York, I read *Victims of the Miracle*,⁵ a study of the relationship between economic development and the plight of Brazil's Indians. The author, Shelton Davis, reminds us that 11.4m. hectares of the Amazon were officially deforested between 1966 and 1975. The basin produces about 50% of the oxygen added to the earth's atmosphere annually, and consumes about 10% of the gaseous carbon. The process of deforestation, then, as well as stripping the ecological environment away from the tribes, also seriously threatens the biosphere with environmental suicide. We all have a direct interest in the photosynthetic processes of the Amazon basin. If we aligned this with a concern for the plight of the people who are trying to live there, our common interests would be well served.

1. F. Harrison, *Land, Culture and the Biology of Man*, LAND & LIBERTY PRESS.
2. G. N. Appell, 'The Plight of indigenous peoples: issues and dilemmas,' in *Survival International Review*, Summer 1977.
3. *Ibid.*, p. 2.
4. P. P. Lopes, 'Land Settlement in Brazil,' *International Labour Review*, Vol. 33, 1936.
5. S. H. Davis, *Victims of the Miracle*, Cambridge U.P., 1977.

Pension off the Speculators!

SIR ANTHONY Royle, the Tory MP for Richmond upon Thames, failed to force the Government to scrutinise the Post Office Pension Fund's speculative property dealings.

He was angry that a nationalized corporation should invest \$18.9m. in a development in Philadelphia, USA, instead of British industry.

In the House of Commons he asked what account was being taken of the speculation. But he received short shrift from Les Huckfield, the Secretary of State for Industry, who replied: "None. Such transactions are the responsibility of the trustees of the fund."¹

The conservative Party endorses the present system which finds land speculation acceptable. It therefore ill-behoves one of its leading representatives to raise objections to a particular case.

There is undoubtedly a need to examine the speculative activities of institutions like pension funds. Sir Harold Wilson, the former Prime Minister who is currently chairing a committee of enquiry into the financial activities of the City, has remarked on the astonishing power wielded by such institutions.

They contributed significantly to the boom in property dealings around 1972-74, which caused the ensuing collapse in the economy.

Involvement in Property by Pension Funds £m. ²				
1970	1971	1972	1973	1974
138	172	220	437	516

Insurance companies also joined in the frenzy of buying and selling which priced land beyond realistic levels.

The slump in the UK property market, however, encouraged the pension funds to seek elsewhere for their speculative investments. North American land proved very attractive.

Although there was a slump in the US property sector in 1974, a quick recovery attracted foreign money—including the cash accumulated by British pension funds, many of which represent the interests of employees in the public sector.

FOR example, in March the British Airways' Pension Fund paid about £13m. for a 13-acre shopping centre in Houston, Texas. The fund has an estimated total of about £100m. in real estate generally.

It is estimated that over the past three years about £200m. has been invested by pension funds and other UK investors in US real estate.³ Among these investors are the pension funds of the Electricity Supply Industry, the Post Office, London Transport, British Rail and British Steel Corporation.

If—as Royle suggests—it is wrong for the pension funds to channel money into land speculation rather than job and wealth-creating investment in UK firms, his argument can only be right if it applies to **all** such investments by **anyone**. Only a thorough change in attitudes to property ownership will yield a general solution to the problem: why single out one speculator for condemnation?

The left-wing plan—worker control of the pension funds⁴—is no guarantee that the cash would be used for "socially beneficial purposes" by the new trustees, unless the prospect of profits from speculation were removed altogether.

The only answer is a tax on the value of land. This would remove all incentive to channel money into the speculative buying and hoarding of land.

1. *Hansard*, March 9, 1978.
2. *Money into Property*, Debenham, Tewson & Chinnocks, Information Service (July 1975).
3. Bruce Kinloch, *Daily Telegraph*, March 29, 1978.
4. *Your Money and Your Life*. CIS Anti-Report No. 7.