

might well be in Hong Kong rather than in New York. A duty-free port might do more for the revenue base of this country, including employment and investment, than the high tariffs imposed here as your major revenue source.

Which brings us ultimately to the distinction between the poor and the wealthy and the basis for taxation that provides good social policy.

The difference between the poor and the wealthy, as opposed to the simply non-poor is equal rights to natural resources. The value of resources – land, minerals vast country acres as well as valuable urban locations – offers a source of revenue that is capable of growth. But most of all, the collection of this revenue makes for a fundamentally more equitable distribution of wealth.

For there would be no tax on production to limit artificially the use of a site or motivate the destruction of a crop. There would be no incentive to hold uncultivated land off the market to speculate at the urban fringe in spot development. A tax that was high enough to discourage monopolistic hoarding of land and high enough to compel its use and growth would not only stimulate production and employment to a very high degree, but also transform special rights to land to equal rights to land.

You who live here know the importance of a homeland that is free, secure and most of all your own. The most peaceful, equitable and socially desirable means of securing rights to your land is making all those who occupy it pay everyone else for the privilege. Providing equal rights to land does not require the subdivision of estates into small, often uneconomic buildings. Nor need it mean an expropriation of private property.

Produce must belong to those who raise it with their labour, but the advantages of one piece of land or one urban location over another result from neither an individual's labour nor an individual's capital but are due to the bounty of nature or the collective activities of the community. It is the sharing of this unearned income that will accomplish what no bloody revolution or public expropriation will ever achieve.

ADVERT

WANTED: John Orr's *Taxation of Land Values and its effect on Landowners and Tenants* (1912). Please write to The Secretary, UCTLV, 177, Vauxhall Bridge Road, London, SE1, if you have a copy that you can sell or entrust to library for use by researchers.

SINGAPORE: ALARM OVER LAND PRICES



● Development grows apace in Orchard Road, Singapore's bustling commercial centre. Ian Barron reports.

SINGAPORE'S booming land market has begun to arouse fears that the latest prices may undermine the country's economic prosperity. Over 200 tenders that will fetch a conservatively estimated S\$800 m. were submitted to the Urban Redevelopment Authority in its recent sale of sites.

Parcel 3 attracted the highest bid: \$40,000 per sq. metre, placing a value of \$67 m. on the 1,676 sq. metre site at the junction of Cecil Street and Boon Tat Street.

The site was among eight lots of land in the Golden Shoe area earmarked for office development.

The scramble for land reflects the confidence among investors that Singapore's trading performance in the Far East will be matched only by Hong Kong's.

In the past decade, the island has experienced a total transformation. Urban slums, and the traditional *kampung* villages, have been flattened in favour of sleek concrete skyscrapers. Ornate oriental architecture, and jungle green, have both succumbed to the bulldozer.

The impact on culture and environment is controversial (depending on one's point of view). What is beyond dispute, however, is the degree to which land-owners have benefitted from the growth in economic activity.

After the latest bids for land were delivered, the stock market responded: the value of property company shares rocketed, along with the shares of companies with land banks.

But while the speculators can confidently cash-in on the relative scarcity of land, alarm bells are now being rung about the prospects of the economy generally.

● Ho Kok Cheong, a committee member of the Real Estate Developers Association, has warned that land price levels have aroused the fear that there seems to be no limit to the rising cost of vacant land. High tender prices, he says, will lead to end-products which often have to be priced beyond the reach of many customers.

● Prof. Philip Motha, head of the Department of Building and Estate Management, National University of Singapore, has now publicly drawn attention to the de-stabilising relationship between trends in land values and economic development.

Nonetheless, these signals will go unheeded. Macro-economic analysts have yet to incorporate into their calculations the impact on the industrial economy of land values that are pushed upwards at a rate out of proportion to the rest of the system.

The green foliage may be rapidly disappearing in Singapore, but the jungle remains: concrete in form, and with an unnatural body of laws that permit the exploitation by land monopolists of men who want nothing more than the freedom to enjoy the wealth that they create.

Can of sardines!

SPECULATIVE fever, says Charles J. Urstadt, president of a Manhattan real estate firm, is like "two guys buying and selling cans of sardines. They sell for 10 cents one day, 20 cents the next, and on up to over \$1 a can. Finally one man opens a can and tells his partner how terribly the salty sardines taste. His partner replies, 'Sardines aren't for eating, they're for buying and selling'."

UTRECHT '82

THE NEXT conference of the International Union for Land Value Taxation and Free Trade will be held in a beautiful wooded estate near Utrecht, Holland. The date: July 24-31, 1982. The conference centre, Woudschoten, has three halls and an open-air theatre, with residential facilities for 150. Full details of conference arrangements will be published in future issues of *Land & Liberty*.