



## ... World Briefs...

### HONG KONG Capitalist dowry

The British Colonial government pulls out on July 1, leaving what Governor Chris Patten calls the "biggest dowry since Cleopatra". The Colony which reverts to China has £28bn in reserves, according to the latest budget documents. But it also has a "land fund" of £48bn.

Hong Kong's economy has proved to be unique because of the twin policy of free trade and of capturing the bulk of economic rent for public purposes. All the land in the Colony has been held on lease, which has meant that capitalists have had to pay the government for the privilege of operating on the island.

Even so, Asia's richest man, Lee Shau-kee is a Hong Kong resident who made his fortune as a property developer. Average incomes in the Colony now exceed those in Britain, and the residents own more Rolls Royce cars *per capita* than any other city.

The Colony will now be known as a Special Administrative Region (SAR) of China. Beijing takes over the "land fund", but it is not possible to tell whether it will continue to operate an efficient land market under the new regime known as "one nation, two systems".

### LONDON Election news

Premier John Major seeks re-election on May 1 with the aid of a £500,000 donation from one of Hong Kong's richest men with property investments in Britain. Ma Ching-Kwan is said to keep Tory MPs on his payroll. His father is a fugitive from the Hong Kong law authorities, who want him to stand trial for drug smuggling.

If the Tories are re-elected, they plan to sell the airwaves used by mobile telephone com-

panies, according to Ian Lang, President of the Board of Trade. The rents of the radio spectrum would fetch a reported £1 billion. In the US, \$20bn (£12.5bn) was raised from selling parts of the spectrum to the private sector.

On the local property tax front, the Labour Party claims that hundreds of "Mayfair millionaires" will pay less council tax in the next year than 7.7m poorer households thanks to the "rigged" system of Tory funding. The government took money from the rest of the country to hold Westminster's council tax low. And, promises Labour, an incoming Blair government would undertake a "root and branch" review of arrangements for sharing money between local authorities.

But the former socialist party was determined to secure votes by doing a deal with Big Business: Labour invited the Confederation of British Industry to draw up their "business" manifesto. The party did not draw up a comparable "employment" document with the trades unions.

Labour's plan for a "wind-fall" tax on newly-privatised utilities - expected revenue: \$5bn - did not worry the American owners of British electricity companies. The Ohio utility that bought Midlands Electricity last year says it is seeking a "partnership" with a Labour government.

■ British poverty levels, affecting 4.2m children, are the worst in the European Union apart from Portugal and Ireland. Every year there are 227 poverty-related deaths among the children, who are five times more likely to die in an accident than those from the richest households, according to the Child Poverty Action Group. Child poverty had tripled since the Conservatives came to power in 1979.

### PARIS Bust banks

France's financial institutions have lost at least £20bn

through property speculation according to an investigation by the respected *Les Echos* newspaper. The top 18 banks and insurance firms had engaged in "collective madness and economic waste", according to the newspaper, whose estimates are said to be conservative.

The money lost in the property speculation was sufficient to have built five super-speed train networks and the Channel Tunnel. Instead, the money disappeared in the property collapse of 1990 after one of the worst periods of speculation which was partly fuelled by nationalised firms. The speculation had been encouraged by both socialist and Gaullist-led governments whose political appointees (according to a *Le Monde* commentator) had "gone completely nuts in their gambling mania and their battle of egos".

### LONDON Empty homes

Almost 800,000 homes in England - one in 25 of the total - stand empty according to the Empty Homes Agency. About 667,000 are in the private sector. In the public sector there were 79,000 empty council-owned homes. Up to 20% of homes owned by the Ministry of Defence are reported to be vacant.

### EDINBURGH Queen censured

THE Queen has been censured as Britain's worst landowner for her "poor management" of Balmoral, her Scottish retreat in the highlands. Queen Elizabeth, who is patron of the Royal Society for the Protection of Birds, was condemned in a competition organised by the environmental group The Land Is Ours. The public was invited to nominate the worst owner of land, and the Queen's estate's attempts to exclude important conservation sites

on Balmoral from wildlife protection laws was judged to be unacceptable.

Critics claim that the Queen excluded conservation experts from monitoring management practices on the estate, which covers some of the most important wildlife habitats in Europe.

The estate claims that important sites should not be designated for special protection because the Wildlife and Countryside Act did not apply to Crown land. Threat of action in the European Court of Justice preceded the estate's decision to agree to allow two of the most sensitive areas to fall under the EU Habitats Directive.

### SALISBURY Title fraud

Pensioner Frank Higgins built a bungalow in a Hampshire village, which was then left empty for five years after he became ill whilst holidaying in Scotland. He remained north of the border for five years. A fraudster moved in, swore that he was the true Frank Higgins - and the Land Registry issued him with deeds. He then sold the bungalow to an innocent buyer. Now the Land Registry accepts that it was duped, and will pay out £100,000 to reimburse Mr Higgins and the fraudster's victim.

### HANOI Paddy power

Police were forced to retreat when rice-growers rioted against plans to build a golf course in the middle of their paddy fields in a village on the edge of Vietnam's capital. "This is our land and the people are ready to sacrifice their lives for it," chanted the villagers. Observers are resigned to continued social conflicts as the communist regime tries to defend its claim that all land belongs to the state - a view challenged by the older tradition based on communal ownership.