

is within the confines of these negative rules that he is free to move and gratify his desires and accomplish his purposes.

It is only because we cannot predict the actual results of particular rules that we assume them to increase everyone's chances equally. If we could, the Professor points out, we would not need the rules. Nevertheless, some of the results turn out to be uncomfortable for some people, but they cannot thereby be called unjust. The risk of unpleasant consequences in pursuit of our aims is the price we have to pay for our freedom so to engage. "Freedom," he says, "means in some measure we entrust our fate to forces which we do not control." There is food for a banquet of thought in that sentence alone.

The only way we can attempt to escape this situation is to entrust some governing body with the re-

sponsibility of directing our lives to such an extent that eventually all individuality and creative effort is stifled out of existence. And why, I have always wanted to know, is it so often and fervently believed that any group of people, elected or otherwise, can possibly have the slightest notion of what is best for everybody else?

Social justice seems to be the only term Professor Hayek fails to define—for the simple reason that he deplores it as misleading, ambiguous, illusory, and downright dishonest since it is frequently invoked as a means of furthering the protection of entrenched interests.

It has even found a respectable place in the teaching of several Christian denominations which "losing faith in a supernatural revelation, seek refuge and consolation in a new 'social' religion, substituting a temporal for a cele-

tial promise of justice."

The last chapter of the book contains a warning. Professor Hayek considers the two greatest threats to a free civilisation are socialism and nationalism, and we should remember that some supporters of Hitler, Mussolini, Lenin and Stalin sincerely believed they were engaged in the creation of a just society in which the needs of the most deserving would be better catered for. Well, we have socialism, and nationalism once again gains popular support. But what are these things but expressions of despair for many in their search for answers to social problems?

I believe with professor Hayek that the answers can be found, but not by bunching individuals into types and grades in futile efforts to organise them all into some sort of absurd and glorified ant-heap.

## Model of a Free Market

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THE supporters of the free market economy are finding it increasingly difficult to find a suitable model to cite as demonstrating the benefits of the practice of their ideals. The march in the direction of centralised control and welfare economics has been for some time almost universal in both developed and developing countries. Even the USA, the former repository of the free enterprise ethic, has been engulfed in the steady trend to the government-manipulated economy.

A survey on Asia in a recent issue of the *Economist* written by Norman Macrae, its deputy editor, contained much of interest to the advocates of economic freedom. Paramount was the section on Hong Kong, the current success of free market economics.

The tremendous expansion of Hong Kong's economy and the resultant upward surge in the standard of living of its inhabitants is attributed to its Government's policy of minimum intervention.

Businessmen undertaking new enterprises find little to hamper them in the way of government rules and regulations. The level of taxation is low (public expendi-

ture equals only 14 per cent of Gross National Product, compared with well over 40, some say 60 per cent in the UK). Many public services (e.g. electricity, gas, telephones, transport) are operated by private companies. Those services that are provided by the Government either show a good profit or try to ensure that the greater part of the costs incurred are recovered from the actual users. That workers are not unduly troubled by their Government's *laissez-faire* attitude is suggested by the fact that less than 15 per cent of them have chosen to join unions.

The result of the tremendous activity generated is, says the *Economist*, that Hong Kong's Gross National Product per head is expected to overtake that of Britain during the 1980s.

A glowing picture indeed, but it would be foolish to suggest that Hong Kong has no problems. One fundamental difficulty is that the amount of land available is strictly limited—a glance at photographs of the centres of activity indicates the tremendous intensity of development and land values are really soaring, as the inset on this page demonstrates.

Land in Hong Kong is held on lease from the Crown, but as was indicated in our last issue, the Government favours low rentals and high premia, presumably because this brings in more money in the short term. Unfortunately this means that the community will not be collecting higher future land values, nor will they enjoy the benefit of the economic effects of full rental collection.

This is a pity, since if Hong Kong were to get its land tenure system right, then free enterprise enthusiasts might really find something to sing about.

*Footnote:* It is interesting to note that in the summary of its Asian survey, the *Economist* says that since 1948, Indian governments have kept announcing land reforms that would not be "the right production-increasing policies even if implemented: Bangladesh has long had small and rather egalitarian under-financed peasant holdings, but look what's happened to it."

**A 4,940-square-metre non-industrial site on the Wanchai reclamation, Hong Kong Island, has been auctioned for HK\$140 million (£17.5 million). The realised price amounted to HK\$28,322.88 (£3,540) a square metre.**