

Letters

SPECULATORS VIE FOR LOCATIONS

Sir,

I am writing from Vancouver, Canada, where our governments (in various combinations) are preparing to build rapid rail transit. Richard Clarke's story on "How to Pay for a Rail System" (Sept/Oct) threw me for a loop.

Hong Kong, which is the locale for his story, has been having quite an effect on my city in recent years. Not only does it supply a large number of migrants to Vancouver but Hong Kong money has become a significant factor in real estate investment here. After reading Mr. Clarke's report, I began to wonder if that money is specifically searching out future transit station sites?

Mr. Clarke says that the enhanced value of land in Hong Kong, particularly at main stations, was "an obvious choice" as a source of financing for its Main Transit Railway. Land value may be an obvious choice to the rulers of Hong Kong, but it is *not* to ours. Here the authorities levied a special tax on gasoline of 2/3 of a cent per litre; they also put a rate on people's monthly electricity bills. They collected about \$11½ million from each of those sources in the last year. We do not actually have the transit you understand; maybe in 1986.

There are 15 station sites on the proposed route, which is about one every mile. A land sale at one of the more central ones was the subject of a news story in the Vancouver *Sun* just last week, and it confirms what readers of *Land & Liberty* already know; the land owner "had the good fortune" (in the words of the *Sun*) "to own prime property next door to B.C. Place and on the same corner as a proposed Main Street rapid transit station. His is just one example of private fortunes already being made as developers and speculators vie for strategic locations near the big public projects planned for Vancouver. This particular owner bought for \$3 million on May 5th, and sold for \$4.9 million nine days later.

There is a little trickle of land rent collected by the City through its general property tax, but it does not compare with what is flowing into private pockets as the above sale

figures make manifest. Sudden upsurges of course (when reported!) may persuade the Council to look in the direction of land value; even as little as Hong Kong has done would be helpful. Meanwhile the "lucky" landowners benefiting from enhanced land values, whether they be Arab, Hong Kong or native born, have no reason to lose any sleep as far as I can judge.

MARY RAWSON,
Vancouver B.C.

*As a matter of interest, Vancouver is a radically changed city; the School Board reports that 45 per cent of the pupils have English as their *second* language.

HONG KONG

Sir,

In the article (*Land & Liberty*, September, page 99) Mr. Herbert Meyer, reviewing Graham Moss's *Britain's Wasting Acres*, quite rightly points to some of the fallacies implied in the conservationists ideas. I have not read the book but the points raised in the article seem reasonable. Then, in a sudden burst of generalisation without showing good cause, you attach the idea of "intermediate technology" which is primarily relevant to the conditions prevailing in the Third World and not to the circumstances of the Developed Nations.

The other point which I would like to raise and which is somewhat primary to my previous point is that at least some of your permanent columnists and regular contributors do not seem to be aware of the consequences of the military, political and economic domination of the Third World by the Western World. The problem is not a complex one; the vested interest is great. In fact greater than that opposing the general understanding of the principles of land-value taxation. In a nutshell:

- (a) Almost all of the governments of the Third World countries are in power against the express wishes of their people.
- (b) Not being in government by general consent, they are not dependent on their own people.
- (c) However, since they cannot depend on thin air (and as they do not depend on their own people), they are usually dependent on the Americans and Europeans. And a few on the Russians.
- (d) As one must, by necessity, serve one's master, these governments serve the interests of those on

whom they depend to the detriment of their own people.

And thus the Third World has hardly ever had the opportunity to improve its lot.

Further, while it may be appropriate to point out the working of the natural law of rent and the lukewarm method of capturing it (on a one off basis), in Mr. Clarke's article on Hong Kong Railway, it is in my opinion, quite inappropriate to praise the Hong Kong Administration with such statements as "Its land policy and dedication to free trade is largely responsible for the success of its economy" ... "And it explains in part why, despite a healthy economy and some wise government policies, the distribution of wealth in Hong Kong remains inequitable."

Considering the rate of corruption, crime, prostitution, addiction, the conditions of labour and child labour, working hours, sanitation, housing, health, general level of wages, land prices and many other ungodly things, Hong Kong's economic progress and free trade has benefited a few and it is *Progress and Poverty* all over again as Henry George saw it.

S. M. ZAHEDI
Harrow, Middx.

R. C. Clarke writes:

Obviously your correspondent has little knowledge of the social development which has taken place in Hong Kong over the last 30 years. Indeed whilst no one would deny that many shortcomings still exist – and I pointed to the maldistribution of wealth which is clear for all to see (not only in Hong Kong) – the improvement in standards of living, availability of education, spread of personal wealth and general social and economic mobility upwards is one of Hong Kong's relatively unsung successes. Why else do so many try to join Hong Kong's multitudes?

That such charges are due in part (and in my opinion in no small measure) to wise government, land policy and dedication to free trade is a matter of opinion. Your correspondent has said nothing which would induce me to change it.

FRANK DUPUIS

We regret to announce the death of Frank Dupuis in December last after a short illness. A tribute to him will appear in our next issue.