

to fleece the taxpayer for public works, whether or not he shares in the benefits.

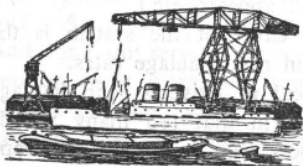
But it would be far better to tax land values! For, as new bridges and roads were built, land values would rise and if these values were taken for the public benefit the bridge or road would have paid for itself. Doubtful? Note this: *The Guardian*, reporting the opening of the Tamar Bridge headlined the item "BOOM TOWN BY BRIDGE — SOARING PRICE OF LAND." The report stated:

"The Tamar Bridge is having a great effect on Saltash, the most ancient borough in Cornwall. Geographically Saltash has become an outer suburb of Plymouth but before the building of the bridge it was somewhat remote from the city. Now it is taking on all the appearances of a boom town. Land prices have been rising steadily and planning permission has already been given for a three-storey block of flats. A scheme to turn a central area into a huge car park is under way."

WILL THE DAWN COME UP LIKE THUNDER?

THE astonishing spectacle of a small island community, possessed of no raw materials, becoming one of the richest states for its size in the world has long provoked the admiration and the envy of the rest of mankind. Hong Kong, relying on complete freedom of trade, has developed from a tiny trading post on the edge of China to a city state with one of the highest standards of living (for its white population, at least) in the world.

So secure has its position become that it has coped well with the post-war steady influx of Chinese refugees. And even after the recent flood of mainland Chinese



had almost broken down the organisation set up to control it, it was still possible for the Governor of the Colony, Sir Robert Black, to say, as reported in a recent article in *The Daily Telegraph*, "By 1967, or sooner, we should have solved our water supply and housing problems and can make Hong Kong work even with a population of 4 million" (present population about 3.2 million). But Sir Robert added an "if." And it is the ominous "if" which must arise to complicate even the strongest society's prospects sooner or later. The Governor's "if" is, " — if only the rest of the world leaves our markets alone and don't erect crippling tariff barriers." With the frantic work going on to complete the building of the European tariff wall (with Britain inside it), Sir Robert may well wonder about Hong Kong's chances.

Even should his fears be realised, however, Hong Kong still might be able to surmount the problem if it should

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decide to adopt a saner method than at present of raising its internal revenue. That it is capable of miracles of organisation and development has been demonstrated in no uncertain manner. Any community able to deal with such sudden acceleration of population growth, and to reach such construction rates as "one new multi-storey resettlement housing block every nine days, one new school opened every four days" has the capacity to handle problems that would overwhelm most other societies. Yet, Hong Kong in common with every other country has its Achilles Heel. The key to it is this phrase from the article just quoted: "All available building land is being snapped up by speculators who expect a full return on a block of flats in four or five years." Is Hong Kong's genius such that it will rise and beat this challenge? If it does not, its days of glory are surely numbered.

NEWS FROM DENMARK

The Issues in Danish Politics

By Our Danish Correspondent



RECENT municipal elections in Denmark confirmed that the Justice Party continues to be in the doldrums. Generally, the decline of the party followed the pattern set by the 1960 Parliamentary elections where representation in Parliament was wiped out. The party lost its only seat in the Copenhagen Municipal Council, for example.

But the party has been down on its knees before. Somehow, this does not seem to deter the brave. Former M.P. Niels Andersen, a keen politician, was elected chairman at the yearly conference of the party in May. The Youth movement also elected a new chairman, energetic Ib Christensen.

The traditional statement of the conference demanded:

1. A referendum regarding Denmark's relations to the European Common Market — specifically that Denmark's membership be conditioned by rules and regulations protecting southern Jutland against excessive "invasion" by foreign land buyers and settlers.

2. A stop to unrestrained Government spending.

3. Abandonment of Government plans for a 5 per cent. purchase tax.

A political compromise on this tax has been reached by the "four old parties", the Social Democratic Party, the Venstre (bulk of farm votes), the Conservative and the Radicals. There was some internal dissension. The tax is 9 per cent on most consumers' goods except foods.

4. An effective land taxation since the present huge

profits from selling land contribute to the prevailing high interest rates.

5. Elections to be held so as to give the Justice Party a new chance to influence political development.

The party is agreed that the proposed purchase tax is obnoxious. It will punish small incomes, raise the general cost of production and lead to a substantial expansion of public administration.

On the second important issue, Denmark and the Common Market, there is a variety of opinion. Examples:

* The voters must be given the opportunity to express their opinion in this matter. Otherwise, what is democracy worth?

* Denmark's membership will mean an irrevocable abandonment of Denmark's possibilities for conducting an independent policy.

* 80 per cent., of the Danish farm product export goes to Britain and the Common Market. If Denmark does

not join, Danish industry will have to make up for lost farm income. This is impossible. Economically as well as socially it would be catastrophic to remain outside the Market.

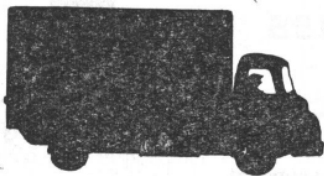
* The Rome Treaty (the basis of the Common Market) is the worst planned-economy mess ever invented.

* There is only one way for Denmark. It is thorny and perilous, but the only one: The Common Market.

* We'll lose our souls (if we join the Common Market) . . . Meanwhile, why don't we show the world the advantages of unilateral liquidation of duties and physical restrictions on the economy?

* Let us have a clear answer (in the Common Market debate). What is the position of the Justice Party?

* The choice (whether to make a clear stand on the C.M. issue or to remain disagreed) is not between having a party in agreement and a party divided. The choice is between having a party divided or no party at all!



THE EVILS OF LICENSED ROAD HAULAGE

By E. P. MIDDLETON

THERE was an interesting controversy recently in *Crossbow*, quarterly organ of the Bow Group of Conservatives, on the subject of the road haulage industry.

Patrick Jenkin argued the case for the elimination of all licenses, other than those relating to driving, condition of the vehicle, overloading, etc., the title of his contribution being "Set the Haulier Free."

In reply to his thorough-going plea for free enterprise conditions in the industry, Richard Yorke opposed the wiping out of the licensing system and advocated the programme of reform aimed at achieving a more efficient transport industry, eliminating some of the evils that Patrick Jenkin alleged and avoiding injustices which he saw in Jenkin's proposals.

There can be no doubt in the mind of anybody familiar with the situation that the road haulage industry, as it exists at present, is inefficient and reeking with injustices and bad practices. Jenkin and Yorke agree on this. Here is a list of the main points made by Jenkin in criticism of the present system:

1. The Act of 1933 (consolidated by the Labour Government's [Nationalisation] Transport Act of 1947) responsible for the licensing system was designed to "coordinate rail and road haulage" — a conception no longer valid today, especially in the light of the latest moves to free the railways from existing restrictions on their operation. The relevant part of the Road Traffic Act of 1960 leaves this situation virtually unchanged.

2. The licensing system operates to make it as difficult

as possible for new applicants to obtain licenses, except those for 'C' licenses, viz., those who desire to carry only their own goods.

3. The system has, of necessity, created a huge and costly bureaucracy to control it (11 Licensing Authorities; public enquiries; appeals, etc.).

4. The worst effect of the system is the elimination of competition in road haulage rates.

5. A great deal of existing road haulage is wasteful and uneconomic, in that too many vehicles (especially under 'C' licenses) run empty or half-empty on "back loading." Jenkin estimates that this is costing operators between £40 million and £50 million a year.

6. One effect of the system has been the inordinate increase in the number of 'C' licenses with its consequence of increased congestion on the roads. This is a result of the inefficiency of the public haulage section of the industry, itself a consequence of the restrictions inherent in the licensing system.

7. As is common to all licensing systems, there is every inducement provided to traffic in licenses ('A' licenses changing hands at £1,000 apiece) and to all kinds of activities designed to circumvent the law; Jenkin mentions "bogus contracts, forged licenses, fictitious sales and the like, representing a real black market in road haulage." (22,000 convictions for offences under the Act in 1960).

8. The licensing system operates, in effect, to protect the hauliers as against the public (consumer) interest.