

entrepreneurs to calculate "the bottom line" of their enterprise. They have to work out how much they need for wages and to finance their working capital, and what their revenue would be (given the price they can charge in relation to the market they wish to service) before they can decide how much would be surplus to these costs of production — i.e., the rental income.

- *Spin-off benefits.* This model based on *land value taxation* (LVT) commends itself for additional reasons.

Social integration. A socially-significantly transitional phase is inevitably filled with uncertainties and fears. These can be minimised when the transformation is a rational one grounded on the consensus support of the population. The assurance that people are sharing the benefits of their common property — the natural resources — is a vital ingredient in this process; it assures people that they are not being abandoned, or disadvantaged, by the changes.

Fiscal finance. The economic challenge confronting the Soviet Union entails extensive financial costs, in terms of the provision of infrastructure (for example, roads and railways). The whole basis of research has to be changed in favour of consumer-oriented production, to provide entrepreneurs in the industrial sector with help to meet the needs of the people.

These costs can be financed out of the value of the community's natural resources. Land values rise as the productivity of the nation increases.

In other words, land values provide a buoyant tax base for the government out of which to finance the socially-necessary projects.

(TO BE CONTINUED)

News round-up from around the world

AQUINO LAND CRISIS

MANILA: President Cory Aquino's land reform program has been struck by crisis, following allegations of corruption and obstruction by red tape. Last year, the government distributed 150,000 land titles covering 103,000 hectares. But critics say the program, expected to cost US\$10 bn., will be no more successful than the dozen previous attempts at land reform since the 1930s.

A plan to give landowners the option of establishing profit-sharing deals for workers in lieu of transferring titles has locked Mrs Aquino's family in controversy. The Aquino family chose this option for their 5,000-hectare sugar cane

estate in central Luzon. Implementation was suspended when it was discovered that the Aquino family had grossly undervalued their property.

In another case, the government was asked to pay \$2.9m for 1,889 hectares in Camarines Sur Province. The sale was blocked when investigators found the land was worth only \$142,857.

According to Jaime Tadeo, leader of the Philippines Peasant Movement: "If land reform means to set the peasant free from the political and economic domination of the landlord, which is the essence of a genuine agricultural reform program, then, on the whole, it failed to break land monopoly. What it gave were just crumbs, a few leftovers."

Even the new Agrarian Reform Secretary, Miriam Defensor Santiago (she got the job when her predecessor resigned amid scandal) calls the current land reform law "a hodge-podge full of inconsistencies".



• Aquino: Values underestimated

Aussies' property swoop

NEW YORK: Despite crisis in the Australian economy, Australians continue to be major investors in US real estate. According to one estimate, Australia — with about \$1 billion invested in US land — is in the group of top five foreign countries that are investing in the American market.

BANGKOK: Land speculators in Thailand are being hit by the government's decision to urge the Bank of Thailand to introduce stricter borrowing require-

ments, especially for luxury condominiums. Speculation is identified as a major cause of the "over-heating" of the economy.

LONDON: The Metropolitan police are to rebuild their crumbling stations by leasing out derelict inner city sites to retail stores. The plan follows heavy criticism of the police by the National Audit Office for failure to make maximum use of their "extensive property resources".

INDEPENDENT INDIANS

VANCOUVER: The Haida Indians, who live on a chain of islands off the British Columbia coast, have declared their independence from Canada and are now issuing passports. The Indians,

who have had a long-running feud with logging companies, are seeking to revive their aboriginal culture, which they say is inextricably linked to traditional patterns of land use.