

The Big North Country

by CLAYTON C. BAUER

VISITORS to Expo 67 will doubtless see flashbacks to the vast virgin areas of a hundred years ago. Manitoba, for instance, in the very heart of Canada, derived its name from "Manitou" or spirits. The Indians thought the hills and waters were possessed by Manitou—with reason, perhaps.

Until 10,000 years ago most of the region was the abode of huge mindless creatures and sharks, the sea variety—for under it lay the waters of Lake Agazziz. It is a broad, flat land locked in fierce cold in winter even when the sun shines brightly.

Drainage to the north makes for numerous lakes and spring flooding. Accumulated snows through the winter melt in April but northern rivers stand deeply frozen. Back country roads disappear under sheets of water many miles wide. Pioneers arriving during that season a century ago must have asked what value such a cold wet land could have.

Explorers Radisson and Groseillers however found trade with the Indians profitable, and King Charles of England was prevailed upon to grant the powerful Hudson's Bay Company the sole trading rights. Manitoba furs found favor in European circles.

On a certain summer long ago some trapper with a green thumb must have dropped seeds into the soil of the Red River Valley and was rewarded with a bountiful return. Some such pioneering effort must have encouraged the settlers who arrived in ever greater numbers through the rich valley by way of York Factory and the Hays and Nelson Rivers. They met opposition from the hunters and trappers who saw these planters as deterrents to their fur-trapping business. But despite the unwelcome reception, the tillers of the soil kept coming.

In 1869 the Canadian Government bought a tremendous region from Hudson's Bay Company for \$300,000 which included the area now known as Manitoba. As a bargain in land deals this could be compared to our purchase of Alaska from the Czar.

The natives, who were of mixed blood, were stirred to the point of rebellion by rumors that their territory was to be annexed to Upper Canada. Surveyors came in to chart the region and there were portents that the lands might be seized from them. Acting quickly they sent representatives to Fort Garry to organize a provisional government and call for provincial status.

The leader of the "metis," Louis Riel, led a delegation to press their claims with the Canadian Prime Minister. Both French and English speaking settlers around the Red River threw their support to him, and the government wisely approved the elevation of Manitoba as a member of the confederation in 1870.

This fertile valley was found to produce macaroni wheats of the finest quality. Sixty percent of the land is covered with forests which include valuable commercial timber; and copper, zinc, silver and gold exist in quantities. So the railroads came—and Winnipeg, one of the major crossroads of the continent, has a large modern railway, serving a swelling population. The roaring Nelson River is being tamed and its kilowatts will activate industries as yet undreamed of.

Manitoba has the same potential for greatness that is common to most of Canada. Capital from the U.S. has found employment there and one frequently hears the charge from Canadians that this money is dispossessing them. Henry George, who was well

known to Western Canada through *Progress and Poverty*, would have reminded them that foreign capital can never own a people who take the precaution of retaining the community-produced rent of land for their public service expenditures.

On the U.S. side of the river valley where the warnings of the "prophet of San Francisco" were ignored, land values go largely untaxed. Instead there are taxes on personal property, tools

and livestock. By recent legislative fiat a young calf can cavort taxfree until its 366th day, when it becomes taxable. Thus there is the familiar incentive to lie about one's personal property, hide one's tools and sell the mature stock.

With fraternal good will we could suggest to our Canadian neighbors that they make use of U.S. capital without malice but assiduously avoid adopting our peculiar taxes on labor products.

Hong Kong's World Market

THE population of Hong Kong has increased within the short span of a decade from two million to four million. Government efforts in resettlement and low housing schemes, though spectacular, were still insufficient to cope with the needs of this fast growing population. Heavy demand for land led to rising land costs, medium and small-sized factories can no longer meet such heavy costs and therefore new factories cannot start and old ones cannot expand. This artificial slowing down of industrial growth, contrasted with the obvious rise in property values, not only shook people's confidence in industry but led to their withholding or diverting financial resources earmarked for the manufacturing sector. It is indeed very fortunate that Hong Kong industry has weathered the storm, we have proven our vitality, but the causes of the storm have yet to be removed. Government should review its land policy and our banks must give priority to industrial development. Our present credit facilities are not sufficient if we plan to accelerate industrial growth. Hong Kong has fluid capital, what is lacking is investment opportunities and to this, industry is the obvious answer.

Although Hong Kong has no natural resources of its own to supply its

factories, yet our industries are growing because we are capable of producing goods needed by various regions at a competitive price and of competitive quality. Of course our services are rendered for profit but this profit is not unilateral. Hong Kong prospers on its exports and importing countries are benefited by our products. Our growth is in itself a vindication of the principle of mutuality. The industrial revolution and advances in modern communications have made the world one; we all depend on each other. The far-sighted Adam Smith advocated free trade and it is indeed regrettable that protectionism should put the clock back two centuries. We must advance the banner of economic freedom and rebuke the short-sightedness of protectionists. Growing inter-dependence is a natural trend. Hong Kong, with its excellent geographical location and the determination of its people to overcome all obstacles, is surely destined to play an important part in the economic development of this part of the world.

From an address by a prominent industrialist, Wong Tok Shu, at the opening ceremony of the Hong Kong branch of the Henry George School. The speaker is a former student of Dr. Wong Po-Shang, director of the HGS in Hong Kong.