higher rents and house prices.

A system of Land Value Tax will be benefit all citizens—rich and poor alike.

A 'bricks and mortar' Mansion Tax will only serve to antagonise the wealthy and give false hopes to the poor. It will neither help our cause nor advance the fundamental tax shift that Georgists all over the world are striving for.

Michael Hawes
Newark, England

In your issue for Spring 2010 John Howell (p.18) praises Vince Cable's Mansion Tax: "MT is to be an annual tax based on the market value of large single-family domestic properties." These are properties valued (how? by whom?) at more than £2 million.

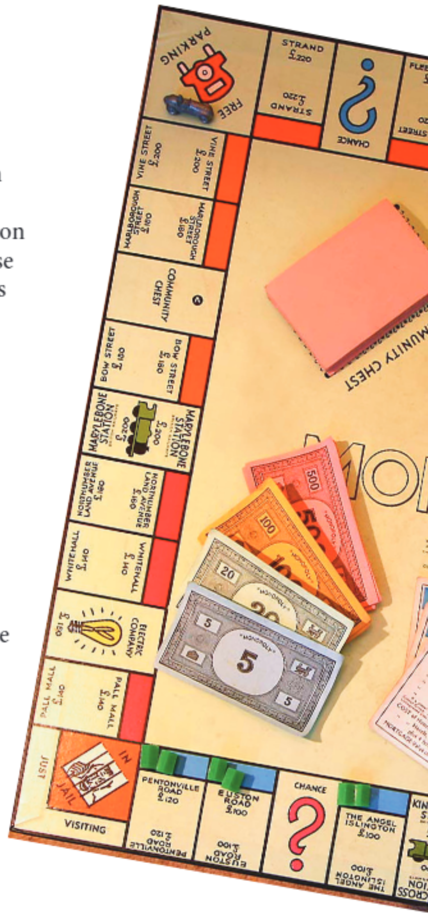
In the same issue David Triggs (p. 10) laments people's failure to "see the difference between land value and the value of buildings".

But surely the Mansion Tax commits just this fundamental error by being based on the value of "properties"; ie, land and buildings. The resulting confusion is likely to do considerable damage to our cause.

In the same magazine there is Ray Ward's brochure Facing the Roadblock. On pp. 3-4 of that brochure Mr Ward warns us that "…we are not sure how the sums work out and until we can show clearly that they would benefit, comfortable retired people living in their own homes will see us as cranks trying to upset their apple carts. So again we need to do the research."

I couldn't agree more.

Robert Ilson
London, England



Community Chest

Delighted to see your article on Monopoly (L&L 1227). How is it that people do not see the connection with cutthroat capitalism, as the game closes with a sofa of glum people who have lost everything and a capitalist with a fistful of the earth's resources? I have a copy dated 1909, the year of the People's Budget with Lloyd George on the picture on the box. I have used it often to illustrate Henry George when I have given a talk and am willing to lend for that purpose.

Alan Laurie

Lars Rindsig's View from the Right

The other day I saw someone selling an American pulp paperback on the internet. The title pertained to 12 Chinese men in a boat who "hadn't seen a woman in six weeks" and a woman they were about to do unspeakable deeds to. Add to that, judging by the back cover blurb, plenty of fist-fighting and an all-caps warning "NOT FOR THE TIMID READER!", you get an inkling of what you're in for. Not high art—but, I expect, a representative example of the 'Yellow Peril' theme seen in American (and Western European) culture in the decades before that. Indeed, Henry George expressed some equally less-than refined views on Chinese immigration himself.

Today we don't hate the Chinese. We don't even hate the Communist oppressors who run the country and their murderous disrespect for human rights or human lives. We don't fear China—instead we buy Chinese goods and go to China on exotic holidays. Or, well, we did, back when we could afford it—before the bust.

But for some time now, the evil, conniving 'Chinaman' of the pulp literature of yore has been able to, one imagines, enjoy a bit of a belly-laugh while slave girls braided his jet-black hair: Western debt to China is of rather unimaginable proportions and the Chinese economy has thrived. So maybe we should be scared of the Chinese?

As L&L emphasised in our autumn 2007 issue, in which we predicted the current economic crisis, the economies of the Far East would live through the exact same process of bubble and burst as Western countries have.

Over the last couple of years, property prices in China have sky-rocketed. Two years ago, the average price of a flat in central Beijing was £225/sq.ft. Today it is £635. That's nice if you're selling—and it's a particularly lovely topic to discuss over dinner with friends if you're a bit middle-class. Average house prices are up 73.5% since 2009, and the property market constitutes a major part of the Chinese GDP. An unhealthily large part, even—because, as they say, what goes up must come down.

Because with the Beijing minimum wage being around £89 a month, you don't—not really—have to be a world-class economist to figure out that most people are beginning to simply not be able to afford the prices asked. And we know what happens then: properties aren't selling; prices go down; economy goes bust. We've seen that before.

The Chinese government has tried to avoid an impending crisis. Its measures include mandatory down-payments of 30% of the sale price. (It's 50% if it's your second home, and 100% if it's your third, based on the assumption that by then you're probably using the property for speculative purposes). Of course, sound economics has never exactly been the hallmark of the Communist Party of China but it's a fair go. But since it is estimated that between 30 and 50% of properties in the centres of major Chinese cities are empty and only used for speculative purposes (or put into different figures, 90% of all properties sold since mid-2009), some heavy-duty economic change is required.

No such change is likely. Not in China, and not in the West. And, sadly, that means that in 16 years it will be 'told you so' all over again—with ever more tragic consequences.