

Two Caribbean Revolutions

By ERNEST J. FARMER

A recent letter in the Toronto Globe and Mail

IN two countries of Latin America and the West Indies, revolutions are under way. That in Cuba has been attended with much killing and destruction of property; it has therefore attracted a great deal of attention in this country. That in Jamaica is being brought about peacefully, and so has attracted little attention; but its effects may be more important and lasting than those of the Cuban upheaval.

Both of these are countries of great estates, of luxury for the few and privation for the many. Neither has completely recovered from the curse of slavery.

While the violent phase of the Cuban revolution may be over, the revolution is not complete until Castro's land redistribution plans are carried out. The Government has already expropriated the holdings of the largest landlords. But to go further he must deal with the not-so-large landlords. While less influential individually, these are more numerous. The possibility of a violent reaction is still present.

In Jamaica the revolution has not gone far, but is under way. So far, the Government has abolished taxes on buildings, improvements and personal property in two parishes, and has announced its intention to extend this system over the rest of the Island during the next four years. With this move is a new valuation of the land, replacing an obsolete assessment.

In the parishes affected, the present land valuation is more than four times the old assesment of land and property combined. In place of the former taxes there is a graded tax on the unimproved value of land, bearing considerable resemblance to the State land taxes in Australia. The change is not too drastic; the maximum rate is only about 36 mills on the dollar, and applies only to the excess over \$84,000 in a single holding. The minimum tax is 56 cents on a holding valued at \$280 or less.

The land redistribution in Cuba will undoubtedly bring opportunity and prosperity to many worthy people. As, in general, small estates are more fully utilised than large ones, it will bring about an increase in production, even though in a few cases the division of well utilised estates may reduce production. But, as the experience of many countries shows, if the present taxation system is continued the larger estates will gradually swallow up the small ones, until things are back about where they were.

The experience of Australia and New Zealand shows that the measures taken in Jamaica are sufficient to bring about a considerable increase in production, of which the greater part will go to the workers—a much larger part, in-

deed, than that of present production. It will bring about an increase in the number of landholders, in incomes from land, incomes from labour and incomes from capital.

The progressive nature of the land tax may possibly bring about unfavourable subdivision of a few well-managed estates, but this is unlikely: the more fully any large estate has been utilised, the less will be the increase in its total tax. While it will not actually decrease public expenditures, it will do something to check the increase. Further, as in Australia and New Zealand, the benefits will be so plain that the principle of taxing privilege rather than property or labour will doubtless be put into effect more extensively rather than less so. And, of course, the ground will be cut away from the feet of Communist agitators.

JAMAICANS' FREEDOM PAPERS

A COPY of a message to the people of Jamaica written last June by Mr. Norman Manley, Q.C., the Island's Chief Minister, reaches us as we go to press. It states that "tens of thousands of people including ALL small farmers" have benefited under the new land value taxation introduced in two parishes last April. Mr. Manley writes: "People are up and down the roads waving their new valuation and tax notices. The new name for them is 'FREEDOM PAPERS!'"

Mr. Manley's message will be reprinted in full in *Land & Liberty* next month. It contains mouth-watering examples from the Tax Roll to show how small farmers and shopkeepers have benefited. For instance, Peggy Young has had her tax (for home, shop and bar in St. Ann) reduced from £48 10s 0d to £19 6s 0d; Alfred Coke, a small farmer in St. Catherine parish, has had his tax reduced from £5 1s 8d to four shillings.

BITTER SWEET IN TRINIDAD

A NOTE in the *Investors Chronicle*, February 5, discusses the improved earnings of Trinidad Sugar. Increased production last year enabled costs to be cut so that profits rose even although the company received a lower average price for its sugar and by-products. "Satisfactory as these results and the outlook for 1960 appear, the value of unplanted lands and properties provide a major feature of interest. It was the general realisation that the company owned some 3,370 acres of land not required for sugar production, comprising villages,

LAND & LIBERTY

pastures, hill land, rivers and highways within a fair distance of Port of Spain, that caused the price of the ordinary shares to advance to a peak of 47s 3d last year . . . Only 14 acres were sold last year, but this land realised over £26,000, an average of £1,860 per acre, compared with a net book value of £7 per acre and the original cost of £8 8s 0d per acre. The chairman emphasises that these sales represented good sites on road frontages or in villages, and are thus not representative of general values. Any attempt to value the surplus lands must be liable to a large margin of error. If the hill lands and villages are excluded altogether, but, taking an optimistic view, and giving the remaining 1,570 acres a value of £1,860 per acre, the estate is worth nearly £3 millions."

It may be doubted whether wages or interest on capital have increased more than 200-fold during the period that land has increased from £8 8s 0d to £1,860 an acre. Trinidad should follow Jamaica's example—if she is not to go the way of Cuba.

NAIROBI COUNCIL INCREASES RATE ON LAND VALUES

TWO paragraphs from an article surveying general business and development in Kenya published in the January issue of *The Standard Bank Review* are of interest:

"Estimates providing for a record gross expenditure of £3,400,000 have been approved by the Nairobi City Council for 1960. It has been agreed that an undeveloped site value rate of 2 per cent will be levied, an increase of ½ per cent over 1959. It is estimated that the new figure will produce more than £1,000,000. The Council also approved a capital programme for 1959/64 involving the spending of more than £12,250,000.

"A new nine-storey office block, built at a cost of £122,000 has been opened in Nairobi as the headquarters of a large United Kingdom insurance society. The building, 106 feet high, is the tallest in the centre of Nairobi and one of the most colourful, with red and blue mosaics and a silver-grey washed terazzo façade."

S. AFRICAN LAND TAX PROPOSAL

THE South African *Farmer's Weekly*, January 20 reported: "A special tax on farms without Europeans on them and a progressive tax on land to discourage large holdings are among the recommendations in the report of the Commission of Inquiry into the Depopulation of the Platteland.

"The commission, under the chairmanship of Dr. E. J. de Toit, Chairman of the Natural Resources Development Council, was appointed in 1957, and report on the upsetting of balance between European and Native populations on the platteland. It says that by 1970 there will be only 42,000 Europeans as against 4,000,000 Natives on the platteland.

"It is also pointed out that three per cent of farmers, owners of more than 5,000 morgen* each, own nearly

*1 morgen = 2.116 acres.

one-third of South Africa's 102,000,000 morgen of farmland . . . The report is now in the hands of the Cabinet and a white paper is being prepared it is understood, for tabling during the present session of Parliament."

A fortnight earlier, in reporting on the Commission's proposals, the Johannesburg *Star* stated:

"During the Second World War a land tax was imposed in South West Africa and is still in being. It was to help make room for returning soldiers. It is different from the proposal of the Du Toit Commission in that it is applied not merely to farms that are not occupied by whites but all holdings irrespective of whom they are occupied by or whether they are occupied at all. The tax is normal up to a certain acreage depending upon the area, and after that it grows progressively stiffer as the size of the farm increases."

W. GERMANY MAY TAX LAND INTO USE

THERE is a good prospect that the West German Parliament may shortly introduce a measure to tax building land. Our correspondent in Hanover, Mr. Erich Zincke, writes that the scarcity of land suitable for building has reached catastrophic proportions.

Land prices remain officially pegged at 1936 levels, so that the private citizen can obtain a home site only through the "black market" although a few are fortunate enough to obtain a small terrace house through a housing association. Thousands of contract members of such associations, however, are unable to build a family home although they have completed their payments.

The federal government proposes (1) to abolish the fixed price system in order to re-open the market for building land, and (2) to lay a tax on all present and potential building land so as to compel owners to sell.

Although this falls short of the taxation of land values as advocated in Britain and practised elsewhere, it is in line with that system. It has the merit of requiring a valuation of the land concerned, of being simple and of commanding political support. If the tax is introduced and achieves its object, Mr. Zincke believes, it may pave the way for a general valuation and land value taxation.

N. W. KENT GEORGEISTS' DINNER

The N.W. Kent Branch of the Land Value Taxation League held its third annual dinner and social at Eitham on Saturday, February 13. Mr. Stephen Martin, branch chairman, presided. Guest speaker was Councillor David Brooke, the only Liberal member of West Ham Borough Council, whose recent election after eight annual attempts attracted national publicity. Cllr. Brooke described some of the methods he and his colleagues had employed to "put across" the land values policy to the electorate, and offered useful suggestions for promoting the Rating Reform Campaign which he warmly welcomed. Reports on the Campaign and the Henry George School were given by Mr. P. R. Stubbings and Mr. V. H. Blundell respectively.