

one speaks of the "composite value" of land and buildings. Doubtless the meaning here is that the rating (where there is the differentiation) is composed of two rates levied on the different bases. It is a mere matter of the terminology chosen.

"A special feature," Councillor Evans writes with regard to the information he gives, "is that quite apart from the economic progress made, the 'composite' rating system is now entrenched as several of the towns named are predominantly Afrikaans and the Provincial Council is not likely to alter the law although there are many persons who would like to do so."

East London and the adjoining town of Cambridge (since amalgamated) were the first places to take advantage of the optional rating powers. They did so very soon after the passing of the enabling Ordinances and greater East London has held to them ever since, the chief moving spirit being Mr. Evans himself.

TRANSVAAL

Bethal Ceases Taxing Buildings

In the Transvaal, local taxation is levied on the capital (selling) value of real estate. Under the Ordinance passed in 1916, municipalities are required to levy a rate of 1d. in the £ on site values and they may not levy any rate on buildings unless such a rate is accompanied by a rate of equivalent amount on site values. But they can increase the rate on site values without imposing any rate on buildings, and accordingly their option extends to their ability to rate site values only.

The position up to the present is that of the 60 municipalities 20 (including Johannesburg) levy their rates on site values; the remainder have "differential" rating, that is to say they have a lower rate on buildings than on site values, the difference varying from place to place, but in the main, the larger part of the revenues comes from the site value rate. For example, Pretoria, the capital, strikes a rate of 7d. in the £ on site values and 1½d. on buildings.

The latest place to go over to the rating of site values only (as reported in the Johannesburg *Star* of June 19) is Bethal, and this by resolution of its Council. Result of the 1956 periodic valuation had been to raise the aggregate composite value (land together with buildings) to £3,339,470 as compared with £2,198,755 by the valuation made in 1953. We have yet to ascertain what was the total of the site value in either case and what is the new rate in the £ that is being imposed. But the circumstances are that under the rating of site values—and total exemption of buildings—the annual rate-revenue of the town is now £28,125, being £8,125 more than last year.

Bethal is a small town of some 9,000 inhabitants. It lies 180 miles east of Johannesburg and 5,680 feet above sea level. It is the centre of a large and flourishing cattle, potato and mealie district and is an ideal health resort. The action by its Town Council in exempting all buildings and improvements and raising rates from site values only will give new impetus to the progress of the town and district and it should stimulate other towns, not yet on the pure site value basis, to emulate the good example.

Reply to a False Contention

The Hon. F. A. W. Lucas, Q.C., to whom we are indebted for the news about Bethal, sends also clipping of his own letter in the Johannesburg *Star* of June 22. It took up the staff reporter who, under the heading "Johannesburg Rates Likely to Go Up," said, "It was pointed out that the total

rate income of £3,738,000 was borne by only about 90,000 ratepayers."

Mr. Lucas wrote: "The staff reporter apparently accepted this as correct and did not ask where the remaining 900,000 of our population live. There is not anywhere but on land that any of them can live, so it is only natural to assume that the 90,000 collect from those others their share of the rates, directly or indirectly, for the right to live.

"It is a fallacy to say that only a few people pay the rates. Only a few people own the land and they make the remainder pay them for the right to live or work on it. Those few own a value that is made by the presence and activities of the whole of the people.

"The owner as such contributes nothing towards creating the value of the land he owns. He reaps where he has not sown. As that value is made by the community it should rightly belong to the community. It, however, takes only a small part of that value in our low assessment rates. A progressive council would raise as much revenue as possible from rates on the value of land and use it to keep down charges for the services it renders. In this way it could reduce the cost of living.

"To say that the 90,000 ratepayers bear the expense of the rates is like saying that the handful of merchants who pay about £50 million a year in customs duties and excise have to bear that expense. Of course they pay it in the first place, but they recoup themselves with profit on which they have paid those duties and excise.

"Nobody feels pity for the merchants. Still less should we feel it for those who appropriate to themselves the land value they do nothing to create."

WEST AUSTRALIA

Resisting a Backward Move

Mr. W. E. Standring, Vice-President of our International Union, has his home in Nedlands where, as in the great majority of the Road District (Shires or Counties), the Rating of Land Values has been the long-established system. On their return from Europe Mrs. Standring and he found that Nedlands had become a Municipality and that the retiring Chairman had announced that the new Council intended to abandon the land-value rating system, to go back to the levy of the rates on the old "annual value" system; that is, charging them on the composite subject of land together with buildings and improvements.

Under date July 18, Mr. Standring writes: "Being presented with a fight on one's doorstep was very convenient. So I wrote a letter to the Council protesting against the change in rating and against the proposal to revalue the whole area, despite the fact that the Government had only just revalued it. To this I was able to secure the signatures of 54 ratepayers and the protest was published in the *West Australian*. The Council sent the usual formal acknowledgment but publicly took refuge in silence. I then wrote another letter to which I was able to get 85 signatures. The *West Australian* again did the right thing by publishing the protest and this time the Town Clerk explained that the Council 'must have reliable values.' This was replied to in the *West Australian* charging the Council with inferring that the Government valuers were incompetent and asking whose valuation the Court would take in the event of an appeal. Still, no public reply. Soon after, a meeting was convened of all the signatories to see what could be done about the matter. Rather unexpectedly, the Mayor and half of the Council attended in a very friendly mood, listening to the facts and figures relative to the effect of rates upon

housing, the *West Australian* sending a reporter and giving the discussion a good write-up. The Mayor said that all candidates to the next election should declare which form of rating they stood for and that he had not finally made up his mind in the matter. Outside the Council I cannot find anybody in favour of reverting to the old system."

Thus a reactionary move has been stayed and there is good chance that a permanent victory has been won, vindicating the Rating of Land Values. Mr. Standring is to be congratulated on his timely and effective action.

SOUTH AUSTRALIA

A Victory Frustrated

On July 7, in the Encounter Bay District Council area a poll of ratepayers was taken to decide whether to adopt the rating of land values in place of levying the rates on the composite value of land and buildings. The voting was : in favour of Land Value Rating, 335 ; against, 152. Thus there was an absolute majority in favour, but the vote was "invalid" because under the South Australia law it is required that there must be at least a three-fifths majority for adoption of the land values system. (Yet if there was a poll to reverse the land value rating system after it has been in operation, only a bare majority of those voting can do the trick. So is the dice "loaded" against reform). At this poll, moreover, absentee landowners exercised their right to vote by post and their vote was 136 against the change and 62 for the change. This means that while the residents voted 273 to 116 in favour of Land Value Rating, thus exceeding the required three-fifths majority, they were frustrated by the absentee voters. Two unfair circumstances, then, contributed to the defeat, denying to the home-owners and other owner-occupiers the benefits to be derived from untaxing their buildings and levying the rates on the value of land alone.

JAMAICA

Land Valuation and Intended Local Taxation Reform

Our correspondent in Kingston writes, May 26, "In the legislative programme of the Government for this year there is provision for the introduction of a Bill providing for taxation on the basis of 'unimproved value.' During the Budget debates several references were made to this by the Chief Minister, Mr. Manley, and by other members of the Ministry." In a later letter, July 8, our correspondent has sent a number of clippings from the Kingston *Daily Gleaner* which show how matters have developed, following the determination of the present government to proceed with measures for instituting the taxation of land values, which require in the first place a thorough-going and thoroughly competent valuation of the land.

Daily Gleaner, January 19 : A new valuation officer has been appointed by the Government and will shortly be arriving in the island. The Minister of Finance, the hon. Noel Nethersole, announcing this in the House last night said that the past two valuation officers were allowed (by the previous administration?—ED, L. & L.) to do nothing about the work they were contracted to do. This one would have a chance to do that work. The substratum of all parochial financing was the land rate and it would indeed be a most irresponsible Minister of Local Government who would have attempted to interfere with the rating system at this time without a complete revision of the Valuation Law and without a complete revision of the Valuation Roll both in substance and in method. Every-

body knows that for many, many years that question has been accepted universally: that at least two men have been sent out here, both of whom wasted the entire purpose for which they were sent and went away without doing a thing on this matter of revising the system of land valuation for which they were sent. Now, fortunately, after a great deal of searching, the Government has been able to find an officer who will come here to undertake that work.

Daily Gleaner, March 3 : The revaluation of property in Jamaica is scheduled to begin during next month and should become effective in 1958. This was stated yesterday by the Minister of Finance during a conference between the Government and local government representatives. The expert who was recruited by the Government to undertake the revaluation is expected to arrive within the next few weeks and will begin the project immediately.

Daily Gleaner, April 27 : Dr. J. D. F. Murray, land valuation expert of Australia, flew in yesterday from New York to advise the Jamaica Government in connection with the Government's policy of introducing a system of taxation based on the unimproved value of land. A former senior land valuer in Tasmania, he is chairman of the Commonwealth (Australia) Federal Valuation Boards. He is author of the work *Principles and Practice of Valuation*, which is a university-level text book on valuation problems. He has advised on land values for the New Guinea and Torres Straits Reparations Commission ; and his services in Jamaica have been recruited under the Technical Assistance Programme of the United Nations Organisation.

Daily Gleaner, June 14 : A preliminary report of his findings was submitted to the Government on June 12 by Dr. J. D. F. Murray, the land valuation expert of Australia. During his stay here Dr. Murray and his associate, Mr. John Copes, land valuation expert of Sydney, N.S.W., were attached to the Land Valuation Department and they travelled extensively over the island. Mr. Copes will remain for two years and will carry out the Government's land revaluation scheme. On June 12, Dr. Murray and Mr. Copes attended at the Ministry of Agriculture and there met the Chief Minister, the hon. Norman Manley, Q.C., and the hon. William Seivright, the Minister of Agriculture, Dr. Murray briefly outlining his findings. His official report will be available after he has submitted it to the United Nations officials in New York. He is then proceeding home to Australia via London.

Passing through London, Dr. Murray paid a visit at LAND & LIBERTY offices. One was naturally curious to have the contents of his report, but we were advised to await its formal publication.

AFRICANS ALSO LAND GRABBERS

A Near Thing in Uganda

The old Adam of acquisitiveness in us knows neither boundaries, race, nor colour. What charges have not been made in Africa against the stealing of the land by the Europeans, but Africans can commit the same crime against their fellow citizens and have been near to it in Buganda, which is in the State of Uganda. We allow the story to speak for itself, as reported in the *Manchester Guardian* :

The Buganda Lukiko has passed a resolution to distribute 154 square miles of land as a gift to certain "deserving" people. Among the beneficiaries are members of the Buganda royal family, members of the Lukiko, chiefs and officials, as well as certain individuals who showed courage during the Kabaka's exile.

The land in question is the area remaining of the eight thousand square miles which was allotted to chiefs and private