

in the Cape Province is moving against the centralisation of valuation for the very reasons indicated above.

Par. 6. In regard to the system of valuation at present operative in this Province, the Chamber has no objection to the appointment of a valuer by the municipality, but is of the opinion that a panel of three professional advisers—sworn appraisers—should also be appointed by the Municipality, to be called upon by the valuer for advice when necessary.

Par. 7. It is generally agreed that no governmental authority should have power to act as judge in an issue to which it is a party; such practices represent the worst form of administrative jurisdiction. For this reason, the Chamber would recommend the amendment of Section 13 of the Ordinance in such a way as to prescribe that the Valuation Court should be composed of an advocate as President, with not less than two other members, who should be sworn appraisers, and that it should not be competent for any member of the municipal council to serve as a member of this Court.

Observations

It is interesting to observe what is said about the principle of "ability to pay," which is generally applied in a quite different context; that is to say, to *individuals* as a measure of what their contribution should be to the public revenue. The "ability to pay" in the latter connection is a wholly false standard in contrast with the canon which establishes benefits received or advantages enjoyed as the just standard. But here the "ability to pay" refers to the *land* as a subject of taxation, and with perfect reason declares that the land value is a proper measure, bearing in mind also the important factor of the varying relationship between the value of land and the value of improvements from site to site. How this relationship varies is well illustrated and the same thing is revealed wherever the separate valuation of land is made.

The memorandum is, however, not so clear in its reference to the payments made by "lower income groups" as compared with others. The question of "income groups" does not arise. We are dealing only with the variation of land value. There might quite well be people in "higher income groups," as individuals, who own properties in the suburban areas and they would pay less in rates levied on land values than when rates are levied on both land and buildings. Moreover, it is not inconceivable that there will be people in "lower income groups" who share ownership in property at the centre where the rates, when levied on land values are higher than when they are levied on land and buildings taken together. Clearly, the principle throughout is that land value is taken as the measure—that value which rightly belongs to the community, whether the owner is a "rich man" or a "poor man," and the community is not entitled to take more than the land value in each case.

It is interesting also to observe the attitude to the question of valuation. The Chamber of Commerce maintains that this is best done by a municipal department. That may be peculiar to circumstances as they are in the Transvaal to-day, where there is not yet any provincial or dominion land value tax. But in Australia the sentiment is strongly in favour of establishing State valuation departments as has already been set up in New South Wales, since locally-made valuations have been found to be open to much criticism. In New Zealand all valuations of land value are made by the Dominion valuation department; and in Denmark, where methods and procedure

are a model for all countries, the valuations are in charge of a central department.

The Chamber of Commerce lays down excellent rules against the danger of the tax collectors, as such, having an influence upon the valuation which sets the standard of the taxes they impose. These two functions, valuation and tax collection, should always be kept strictly apart.

The report of the City Council's Committee of Enquiry above referred to was printed, together with much of the evidence of witnesses, in *LAND & LIBERTY* of October, 1945, and November, 1945. The Committee was headed by Mr. Leslie V. Hurd, ex-President of the South African Institute of Estate Agents and Auctioneers.

A comprehensive statement on the operation of the land value policy in a number of countries, including South Africa, was given in the Supplement to *LAND & LIBERTY*, June, 1948, which has since been printed in pamphlet form and copies are available on request.

LIBERALS AND LABOURITES AND LAND VALUES

THE *Lambeth Borough News*, January 21st, reported the session of the Lambeth Model Parliament, the Liberals having come to power. Labour member, Mr. Bernard Gates, introduced a motion, which was carried without a division, to nationalise the land and abolish ground rents. Many took part in the debate. Miss Enid Lakeman (Liberal) said that, *while agreeing in principle with the motion* (italics are ours), she could not understand the failure of the Labour Government to reintroduce a Bill originally sponsored by the L.C.C., which had been defeated by a former Conservative Government. Dealing thoroughly with the "dilemma" of compensation, Miss Lakeman argued the case for the taxation of site values, in which she was ably supported by Mr. G. Hewson (Liberal) and Mr. H. Knorpel (Liberal).

Sequel was the following letter by Mr. E. G. Popplewell, appearing in the *Lambeth Borough News* of January 28th:—

"... I was surprised to find that the Liberal members of the Lambeth Model Parliament did not divide the House on the motion that the land should be nationalised and ground rents abolished, and yet argued in favour of the taxation of site values. For the one proposal is the very antithesis of the other; the former giving rise to difficulties which only a Communist régime could tackle, while the latter would absolutely vindicate the free economy.

"In any case it is impossible to 'abolish ground rents,' for the simple reason that one cannot abolish the superiority of one piece of land over another, in terms of position or fertility. The Soviet Government found this out and they make clumsy attempts to rectify this by tax variations. Those areas giving up a greater proportion of produce are, in effect, paying rent.

"Further, the Labour Party, if it should decide to nationalise the land, would, beyond all doubt, compensate land-owners. That is Fabian doctrine. Compensation would, of course, be simply capitalised rent.

"The taxation of land values as proposed by Henry George and others is the only sound and just solution to the land problem. The sooner the Liberal Party understands the implications of this measure, the sooner will they be able fearlessly to proclaim the virtues of the free

economy and cease to appear a poor fourth in the race towards a planned society on Communist lines."

Miss Lakeman made reply as follows (*Lambeth Borough News*, February 4th):—

"Sir,—It is a pity Mr. Popplewell had to rely on a necessarily condensed report of the Lambeth Model Parliament, and was not himself present to hear the Liberals say precisely what he says in his letter!

"We pointed out that it is impossible to 'abolish' ground rent, but demanded that it should instead be used as the revenue of the community; we showed how compensation would merely perpetuate injustice, while taxation of site values involves no such difficulty. Finding that a good deal of what the mover said was in agreement with our ideas, I asked whether he would agree to interpret 'nationalisation of the land' as 'nationalisation of the rent of the land'; as he would not, the Liberal Party voted against the motion (as it was clearly carried on a voice vote, we did not insist on a division).

"I hope Mr. Popplewell will be able to return to the Parliament for the debate on the Bill which we, as the Liberal Government this session, are introducing to transfer rates from buildings to site values."

THE POVERTY OF EGYPT AND WHY

Review by H. Hillelson in the GEOGRAPHICAL JOURNAL, January, 1949, of the book EGYPT: AN ECONOMIC AND SOCIAL ANALYSIS, by Charles Issawi. Published by the Oxford University Press. 15s.

MR. CHARLES ISSAWI, Adjunct Professor of Political Science at the American University of Beirut, has written a thoroughly reliable account of the economic and financial structure of Egypt. He is familiar with the vast literature on the subject, including books and documents in Arabic, and there is evidence of personal observation of the Egyptian scene. The historical background and recent political trends are briefly and lucidly described, and there is a short review of education, literature and the Press. Post-war developments receive only passing notice, yet the economic chapters, with their wealth of statistics, are of permanent value because the basic features of the national economy remain much as they were before the war.

The facts are set out soberly, and the book is clearly not intended as an indictment of Egyptian society. The conclusion, however, emerges that the facade of material progress and outward prosperity hides a thoroughly unhealthy state of social maladjustment. A high death-rate has not checked the spectacular growth of the population from nine and a half millions in 1897 to nearly sixteen millions in 1937. The cultivated area has not increased in the last twenty-five years, though the heightening of the Aswan Dam and the construction of the Gebel Awliya Dam have added considerably to the water supply and rendered possible a programme of agricultural expansion which was planned to be completed in 1953. The great wealth produced by the most fertile soil in the world is reflected in the ostentatious luxury of the privileged few, while the mass of the population is living on the verge of starvation. The pitiful conditions of life in the villages have been exposed by many writers, and Mr. Issawi's unemotional array of facts and figures is possibly more eloquent than denunciation. Of the large landowners, who wield all political power, he writes that they display "all the defects of a privileged class

unredeemed by the virtues of a ruling class." Industrialization has produced an urban proletariat of some 700,000 workers whose lot is as deplorable as that of the fellahin. "The terrible overcrowding and promiscuity in which the bulk of the Cairene and Alexandrine populations live make European slums seem almost palatial in comparison." Under the iniquitous corn laws the town workers pay a yearly subsidy of some five million pounds to the agricultural interests and the efficiency of the industrial labour is much impaired by undernourishment and the prevalence of disease. Unrepresented in Parliament and faced with an indifferent or hostile public opinion, labour has not been able to do much to improve its lot, yet "unless the government shows much more wisdom than in the past in its dealing with the working class there is great danger of this struggle taking a violent form." The discontent of the fellahin, like that of the urban workers, lacks organization and leadership; it cannot, moreover, be ventilated in a parliament, the members of which, divided on personal issues and engaged in keen rivalry for power, represent no divergent social interests. There is a wide franchise, but in the country the electors' choice is, in effect, restricted to the two or three influential landlords of the district. Only 20 per cent. of the population are literate and the aggregate circulation of the Arabic daily papers is less than 200,000. The budget of the Ministry of Education has risen from £E.525,000 in 1914 to £E.4,438,000 in 1939, and the number of pupils and students in government institutions of all grades from 15,000 to 232,000; yet "it may fairly be said that Egyptian educationists have been no more successful than their British predecessors in providing either a highly educated class or a tolerably educated mass." Nevertheless, the spread of education has produced a class of intellectuals whose economic and social prospects fall seriously short of their legitimate ambitions. In 1937 it was estimated that 7,500 holders of the Baccalaureat and 3,500 graduates of the University of the Higher Schools were unemployed. The intellectuals have always played an active part in Egyptian politics and most of them belong to the unprivileged or underprivileged class. Politically conscious to an acute degree, they have hitherto been the supporters of fanatical nationalism and xenophobia, but the fulfilment of national aspirations has brought disillusionment and frustration and they are beginning to realize that their woes are not due to British rule and the competition of the foreigner. It is amongst this class that a social conscience is developing and that the demand for economic and social reform finds its most vocal expression. According to Mr. Issawi, "the failure of successive governments to tackle the urgent social and economic problems has disgusted the youth of the towns with the present political order and aroused a keen desire for change"; and, in a passage written in 1945, he alludes to "a very marked spread of Socialist sentiment among the petty bourgeoisie and intelligentsia." It should be noted that the Socialism he has in mind is not that of a democratic Labour movement, and it is not surprising that Egypt is considered by many observers to be a promising field for Russian-inspired influences. Disappointed intellectuals are the natural leaders in a class struggle against landlordism and the abuses of capitalism.

The conclusions to be drawn from Mr. Issawi's book are disheartening for all friends of Egypt and her people, but careful analysis of her disease is necessary before the appropriate cure can be applied, and to this end Mr. Issawi has made an important contribution.