

## East London's Example

At the Cape Province Municipal Congress, held in East London in April last, much discussion took place on the Rating of Site Values. This was prompted by Councillor E. J. Evans, of East London, who, as one of the delegates, submitted a brochure specially printed for the occasion, and entitled *Municipal Rating, a Plea for Site Value Rating for Cape Provincial Towns*. Here the exposition of the underlying principle, from the moral as well as the economic point of view, is given further force by the demonstration, which East London affords, of the successful and beneficial operation of the principle in practice. It is a testimony based on 30 years' experience which cannot be gainsaid. The Conference was well served by the arguments, and the facts and figures placed before it. Delegates were impressed and a number are now busy considering how they can influence their Councils to emulate East London's example.

The standard system of local taxation in the Cape Province is to levy the rates on the combined capital value of land and buildings taken together; that is to say, the same "flat rate" in the £ on buildings as on land. Site value rating departs from that system by using the separate valuation of land so as to levy the rates upon the value of the land alone and exempt the buildings (and other improvements) from taxation. Municipalities in the Cape Province, acting on resolution in Council, confirmed, if need be, by a referendum of the voters, have an option in that regard. They can abandon the "flat rate" system by transferring the rates on to site values, correspondingly reducing or abolishing the rates which fall upon buildings. These powers were conferred by the Municipal Ordinances of 1917 and 1918.

East London and the adjoining municipality of Cambridge (they have since been amalgamated) immediately took advantage of these powers. Cambridge went full out for site value rating only. East London proceeded to place the bulk of its rates on site values and, cutting short the story of that progression, the present (1948) position is a site value rate of 1s. 9½d. in the £ and a rate on buildings of 2½d. in the £. These rates apply now in both East London and Cambridge, but there is a steady agitation to be finally rid of the building-tax.

Mr. Evans relates in his brochure a piece of Cambridge history. In 1863 the British Government provided a settlement there for German immigrants by granting land to them in 10-, 20-, 30- and 40-acre lots. When the town began to develop the existence of these large plots drove people far afield in search of land on which to build their homes and amenities were difficult to obtain. In 1919, however, the site value rating system was adopted and a process of *in-building* set in. In spite of a largely increased demand for land on which to build, the new system of rating brought into the building market land at reasonable prices and homes went up apace until to-day the population of Cambridge has reached the figure of 12,000 *without adding a single acre to its size*. "In other words," Mr. Evans says, "site value rating assists the orderly development of a town, eliminates large intervening empty spaces, thus keeping down the capital cost of water, sewerage and electric light mains per unit of population—and at the same time—owing to its effect in reducing the price of land, prevents the adoption, as a standard, of small lots such as those we see in some of the older districts of the town built under the flat rating system."

## A Start in Jamaica

But this time it is expected that the Jamaican Government is choosing the man who is to institute the Taxation of Land Values. The advertisement offering the appointment has appeared in the *Journal of the Chartered Surveyors* and elsewhere, including papers in Australia and New Zealand. The closing date was May 31st, 1948. The advertisement read:—

Applications are invited for the post of Valuation Commissioner in Jamaica. The selected candidate will be required to take charge of a new Central Valuation Department and to carry through the proposed introduction of a system of taxation based on the "unimproved value of land." Qualifications required are considerable experience of the practical administration of a system of taxation based on unimproved land values. The salary offered is £1,500 on agreement for three years in the first instance. In addition travelling and subsistence allowances would be payable under local regulations. Free passages provided on appointment and termination for the officer, his wife, and children, not exceeding five in all. Interested candidates should write for application forms to the Director of Recruitment (Colonial Service), 15 Victoria Street, London, S.W.1, giving brief details of age, qualifications and experience.

It will be recalled that in August, 1943, the Governor of Jamaica, Sir John Huggins, appointed a Valuation Commission to enquire into and report upon the incidence of taxation on real estate. The Commission was presided over by the Hon. Simon Bloomberg, the Collector-General, and issued its report in July, 1944, which recommended that all existing taxes on real estate be abolished and be replaced by taxation of land values, the revenue going to the local authorities. The report went very fully into the subject, and is a State paper of exceptionally instructive value. A large part of the text appeared in the October, November and December issues of *LAND & LIBERTY*. The news that the Jamaican Government has now decided to act upon the Commission's recommendations is most encouraging. It will be interesting to learn who has been entrusted with the important task which, being accomplished, will mean so much for the welfare of the Island and its inhabitants.

## Land-Value Tax in Malta ?

The weekly Labour Party journal, *The Torch*, published in both English and Maltese, has been running, in Maltese, a series of articles by "Guze" in advocacy of Land Value Taxation. Mr. Orlando Smith has written explaining that Maltese is used for these articles in order better to reach the masses. On June 17th, the subject was "Recent customs duties are erroneous; land value tax the remedy"; on June 24th: "Land Value Taxation, what it is"; on July 1st: Report of Conference urging the immediate introduction of Land Value Tax, named by Mr. Smith a great success; on July 8th, with quotation from Tolstoy, a statement on other countries, including New Zealand, Australia, South Africa, etc., and referring to the Snowden Act of 1931; on July 15th: "The Value of Land is the People's Property"; on July 22nd: "Private property is sacred except where land value is concerned." A special article, entitled "Thou Shalt not Steal," has the editorial remark which Mr. Smith translates thus: "We are officially informed that the present Government is considering the introduction of the 'land valuation tax,' but this will take some time owing to the ascertainment of land values." But to all that there is the reaction of "Catholic Action," about which Mr. Smith is naturally concerned. Its bi-weekly journal, *Lehen Is-Sewwa*, July 24th, carries a