

INTERNATIONAL NEWS

EGYPT

A dispatch from its Cairo correspondent in *The Times* (26th January) announces that the Egyptian Minister of Finance proposes to reduce the amount of land tax payable by small landowners. Interesting information is given relating to the distribution of ownership:

"According to the latest statistics the total number of landowners in Egypt amounts to more than 2,400,000. Of these 70 per cent possess no more than one *feddans* (an Egyptian *feddans* equals 1.03 acres), 23 per cent possess between one and five *feddans*, and 5 per cent possess between five and 20 *feddans*. These three categories of landowners, constituting over 98 per cent of the total number, own half the agricultural area of Egypt, while 34,219 landowners, or 1.4 per cent of the total number, own nearly 3,000,000 *feddans*, representing the rest."

The land tax is said to vary according to the fertility of the land and to amount on an average to £E1 a year. The proposed reductions vary from 50 per cent in the case of those liable to pay £E1 a year to 20 per cent in the case of those paying not more than £E20 a year. The desire of the Egyptian Government to relieve the peasants of excessive taxation is commendable, but it might have been better achieved by removing taxation upon commodities and not weakening the salutary principle of the land tax.

Sir Ernest Cassel, one of the financial princes of the 19th century, left £7,500,000 when he died in 1921. Sir Ernest bequeathed his two grand-daughters, Lady Louis Mountbatten and Mrs. Cunningham-Reid, fortunes which bring them each an income of more than £70,000. Mr Donald Hodson in the *News Chronicle* (28th January) described how this great fortune was made and this paragraph occurs:—

"In 1898 Sir Ernest Cassel financed the construction of the great Nile Dams at Assuan and Assiut. With typical farsightedness he bought up large tracts of desert land around the dams, which were subsequently made fertile (and highly profitable) by irrigation.

SOUTH AFRICAN NATIVES

The Hon Peter Rennell Rodd writes to *The Times* of 21st January:—

"The following extract from the *Rand Daily Mail* of 4th January will interest the readers of Mr Amery's comments on the Native Trust and Land Act:—

"Disquieting reports have reached the Department of Native Affairs in Pretoria that natives are leaving their employment on farms in the Transvaal under the impression that they will be granted land on the properties purchased under the Native Trust and Land Act. Native commissioners have already started to disabuse them of this idea.

"The Department has communicated with all its native commissioners in the Transvaal, requesting them to take advantage of every opportunity, such as may be afforded by tribal gatherings, periodic meetings with chiefs and local council sessions, to correct this erroneous impression. Natives are to be told that settlement is to be effected as far as possible on a tribal basis, and that in no case will land be handed over to natives for occupation free of charge.

"The natives will learn that the land acquired by

the South African Native Trust is to be utilised primarily (a) for the relief of congestion in native areas and (b) to provide accommodation for such natives as the Trust is, by law, obliged to make provision for—that is, natives who may be displaced from urban areas by virtue of the operation of the Native Urban Areas Act and natives who may be displaced from privately owned farms by reason of the application thereto of the provisions of the Native Trust and Land Act.

"The Department wishes it to be made clear to natives that Trust land will not be made available for occupation by natives who without adequate reason move from European-owned properties on which they have been residing under labour conditions."

"The true nature of this noble and progressive piece of legislation is revealed. The ghettos in which the natives are confined have become too small and something has to be done with Naboth, but not, be it noted, 'free of charge.' At the same time care must be taken to avoid the emancipation of labour indispensable to white farmers."

THE GROUND RENT OF NEW YORK

£111,000,000 a year

(By Walter Fairchild in a communication to Dr S. Vere Pearson, of Mundesley, Norfolk, England)

IN CALCULATING the economic ground rent for New York City, we must bear in mind that the assessed value presumably represents the market price, which is the amount for which the land would sell in an ordinary market, subject to the burden of taxation. The present tax rate in New York City is approximately 2.7 per cent.

If an interest rate of five per cent and a tax rate of 2.5 per cent is assumed the economic value or total annual ground rent would be the sum of these percentages applied to the selling price.

Applying a five per cent interest rate to the 1937 total land valuation of \$7,130,856,097 would give \$356,542,805. Adding to this 2.5 per cent of the selling price, \$178,241,402, which would be the allowance for the amount taken by the City in taxes, would make a total of \$534,814,207.

The foregoing represents "ordinary real estate," which is the taxable area of the City, excluding "real estate of corporations" or the property owned by public utilities such as railroads, gas companies, etc. The "real estate of corporations" is separately assessed on the tax books, and for 1937 is \$1,312,934,925, which is divided on the tax books into \$287,343,995 land value and \$1,025,590,930 improvement value. This land value, plus the allowance for the existing land tax burden, should be added to \$534,814,207 which would add \$21,550,800, making a total of \$556,365,007 for the total economic land rent of New York City, including "ordinary real estate" and "real estate of corporations." (In round figures, this corresponds to £111,000,000, the true annual value of the site of New York.)

All the above excludes publicly owned property such as streets, parks, docks, sites for school houses and other public buildings. It is not necessary or proper to make a calculation of the value of publicly owned land for the reason that there is no selling or commercial value in public land. On the contrary, the entire value of publicly owned land is reflected in the land value of surrounding lands which are subject to taxation.