

INTERNATIONAL NEWS

LOCAL TAXATION IN KENYA

FROM THE REPORT OF THE TAXATION ENQUIRY COMMITTEE, 1947

The Committee was set up by the Kenya Government because of non-official agitation over high taxation. Its members consisted of: Mr. R. P. Plewman, Chairman, a South African Government Finance Officer; the Ven Archdeacon L. J. Beecher, and Messrs. J. Campbell, A. Dykes, S. Ghesie, O.B.E., A. Hope-Jones and Chanan Singh. Under the heading, "Capital Rating in Urban Areas," occur:—

Par. 60. "The efficiency or otherwise of municipal government does exercise a considerable influence on national well-being and it follows that local rates may bring about the uneconomic diversion of productivity and impair healthy national progress."

Par. 62. "The flat rate system of capital rating, under which the values of land and improvements are taxed at the same rate has no part in the rating policy of municipalities in Kenya and need not be commented upon. Under the site-rate system the value of land only is taxed while under the differential-rate system the value of the land and the value of the improvements are taxed but at different rates. It is usually debatable as to which is the more productive system of rating, but under the site-rate system no penalty is entailed in the erection of new buildings or the improvement of existing buildings. A valuable incentive to property owners to improve their holdings is, on the other hand, withheld under the differential-rate system. Moreover, on a site-rate basis, the owner of undeveloped land may in all respects be said to bear his due proportion of the costs of communal municipal services. It conforms no less well to the revenue norms of elasticity and certainty; it is equally economical to administer and it might in present circumstances contribute in some measure to the solution of the post-war housing problem. From the fiscal point of view and bearing the present need to encourage development, the Committee favours the site-value system in the taxation pattern of the Colony, and the principle of levying a comparatively high rate on land, thus ensuring that it will not be left idle or insufficiently developed for too long, rather than the taxation of improvements."

NEW ZEALAND

Dr. Rolland O'Regan, President of the New Zealand League for the Taxation of Land Values, has written, December 7th, reporting that ratepayers' polls have taken place in the city of Nelson and the boroughs of Oamaru and Akaroa. The polls, for the levy of local taxation on the value of land apart from improvements, were successful in Nelson and Oamaru, but a defeat was suffered in the tiny borough of Okaroa.

In Nelson the spearhead of the campaign was S. I. Russell, who was the only Labour man in the last Council; he stood for Mayor but was unsuccessful in that. However, he was more concerned about the Rating Poll than about the mayoralty and he will come again for the latter. On the first count at the poll the score was 1,136 all, but when the declaration votes were counted there was a majority for Land Value Rating of five. There has been some talk of a magisterial recount, but even if that comes off the result will probably stand. The contest was bitterly fought as Nelson is notorious for its Conservatism, the last poll, which was held in 1924, having been crushingly defeated. "We were gravely handicapped," Dr. O'Regan writes, "by the fact that the last Government valuation was in 1928 and, therefore, no one could foresee just how the change would affect him personally as there has been a great shift in values since then. The valuations in years past have got very much in arrear and the department, under a progressive Valuer General, is trying hard to make up the leeway. Now that we have quinquennial valuations this will not happen again. Nelson valuation is to be revised in 1949 and rating of land values will not come into effect till then, a fact which enabled us to draw the teeth of the opposition. Nelson has up till now levied its rates on the annual value of land and buildings taken together.

"In Oamaru, one of our members, the Rev. D. H. Stewart, the local Baptist minister, was the chairman of a very strong

committee. They put up a great show and carried the day by 778 to 631. In Akaroa, the leader was a remarkable old lady of 82 years, who in her younger days won some fame as a poetess, Miss B. E. Baughan. This is her second defeat. In spite of her years, she sent me a telegram, 'Defeated pro tem.'—no work is ever wasted and we will get Akaroa next time.

"We are, of course, most anxious to recapture Lower Hutt City, which with State house building, has become the fifth city in the Dominion. The three years (which by law must elapse since the previous poll) are up this year and the omens have improved since the elections. In Upper Hutt, which rates on the land values system, the Council was captured by E. W. Nicolaus and his organisation, and he is Mayor, the rating of land values—that is to say, the retention of that system—being one of the planks of his platform. In Petone, which is adjoining, the late Council had declared its intention of organising a poll for abandoning the rating of land values, but it was annihilated. Things have thus improved in the Hutt Valley.

In New Zealand, Land Value Rating is now in operation in 88 of the 127 boroughs, 60 of the 125 counties and 26 of the 55 town districts; also in a number of road, river, land-drainage and electric-power districts. The movement that the system be made mandatory over the whole of New Zealand is gaining strength.

Dr. O'Regan further writes:—

"I am grateful for the copy of K. J. Kristensen's Paper on Land Valuation in Denmark. I called on the Danish Minister here recently to get from his office a translation of the introduction to the Copenhagen Land Value Maps. His name is Eskelund and he tells me he is a Georgeist and was a personal friend of the late Jakob E. Lange. I would like 50 more copies of the Kristensen Paper and want to scatter them round. It is excellent. I will make good use of it among valuers and others."

Dr. O'Regan was lately in Sydney, and among others he met there were Mr. A. G. Huie, Dr. Pearce, the writer and author (his book on *Value* being his latest work) and Mr. W. A. Dowe, who conducts the Australian School of Economic Science on *Progress and Poverty* lines. Dr. O'Regan speaks highly of their zeal. "A. G. Huie," he writes, "is slowing up—he is 78—but is still the mainspring of the movement in N.S.W. I can see no one to replace him. He has carried on his wonderful work now for a long time and has devoted his all to it."

SPAIN

Mr. José Anglada, Barcelona, writes:—

"I was very glad to receive your valued letter of November last year and the issue of LAND & LIBERTY together with some back numbers and several booklets, which I have read carefully and I have found them very interesting.

"The booklet, *Why Liberty?* by Mr. Harrison is indeed very original in its presentation of our ideas. I translated it into Spanish and made some typewritten copies in order to acquaint some friends of mine of its important contents. In my opinion, one of the outstanding features of this booklet is its pointing to the so-called Gresham's Law and respectively to the curtailment of freedom represented by the manipulation of the standards of measurements (specifically of money as a measurement-standard of values)—a feature seldom treated by Georgeist writers, as when our movement started, the devaluation of currencies had not the importance which it has at present as a means of altering the free production and exchange of wealth, making big gains for a few, a speedy robbery of thrift and an impoverishment of the masses far greater than up to the coming of the war 1914-18. (For this reason all Associations for promoting free trade, and the Mutual Assurance Associations should support our movement.)

"Lately I have written a booklet in the international language, Esperanto, as propaganda of Georgeism to the Esperantists. Lately also an adaptation of the Dewey's decimal classification especially fit for the needs of the Georgeist libraries. This constitutes a repertory of all themes of the Georgeist Movement—Georgeism in connection with other themes, and Georgeist