

## 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

science. I also wrote an eight years' plan on the basis of geographical and financial data on my country, intended to awake the interest for the single land value tax and to show in a simple and comprehensive way the practicability of our system. It was written on the basis of a more normal state of things, but I deem it useless to reform the financial figures, since the State budget now with its enhanced nominal figures is, however, less than ever before in its revenue yield. The basis of the land rent of Spain is taken from the booklet, *Economia Política Georgista*, published in 1935. If you are interested I shall be glad to send you a copy of these writings."

### VICTORIA

The latest victory for the Rating of Land Values is that at Echuca, a town on the River Murray, with a population of 4,000. The system was adopted by resolution of the Town Council rendering a poll of ratepayers unnecessary. Another recent victory, already announced, was that in the City of Kew, in the Melbourne metropolitan area. Out of the 28 local authorities in Greater Melbourne, 14 are now levying their rates on land values (excepting for water and sewerage which are administered by an independent Board, and it assesses on annual value of land and buildings). Of the total area of Greater Melbourne (71,187 acres), 54,890 acres are now under the land values system for city rates.

The settled and confirmed sentiment in favour of Land Value Rating, especially where it has been tried, is shown in the following instructive return published in *Progress*, August, 1947. Where opponents have attempted to reverse the system by polls taken for the purpose they have been increasingly defeated:—

Municipality and Poll	Year	In Favour of Land Value Rating	Against Land Value Rating	Margin in Favour
<b>DANDENONG :</b>				
Adoption Poll ... ..	1920	632	167	465
Reversion Poll ... ..	1924	1,808	809	999
<b>BRUNSWICK :</b>				
Adoption Poll ... ..	1922	2,395	2,107	288
Reversion Poll ... ..	1926	4,676	2,644	2,032
Reversion Poll ... ..	1932	4,120	1,794	2,326
<b>SANDRINGHAM :</b>				
Adoption Poll ... ..	1926	2,284	2,098	186
Reversion Poll ... ..	1931	3,069	1,737	1,332
<b>OAKLEIGH :</b>				
Adopted by Council ... ..	1920	No Poll	—	—
Reversion Poll ... ..	1945	1,761	587	1,174

*Progress*, organ of the Victoria Henry George League, is obtainable from 18 George Parade, Melbourne—annual postal subscription, 2s.

### TASMANIA

Mr. F. Halkyard, Melbourne, writes:

"A rating poll was held at Launceston, Tasmania, on December 11th on the question: 'Are you in favour of the basis of valuation for rating purposes being altered from annual value (of land and buildings taken together), as at present, to the unimproved value system?' The result was 3,864 in favour of the change; 2,706 against the change; majority for, 1,158.

"Only 29.87 per cent. of the enrolled residents voted, but the Act requires that at least 50 per cent. must vote if a poll is to be valid. Hence the will of the majority cannot, at present, be made effective. But the Act also allows the Council to make the change by resolution. At the concurrent election of Aldermen, two sitting members, who declared themselves against the

change, were rejected, while the three candidates elected, one retiring and two new men, were all open-minded on the rating question.

"With a clear mandate from the ratepayers, which repeats the decision of a previous poll, it is to be hoped that Launceston City Council will now adopt Land Value Rating by resolution."

### FRANCE AND BELGIUM

*Terre et Liberté—Grond en Vrijheid*, in its second number (16th Year) has informing articles by A. Daudé-Bancel, Pavlos Giannelias and M. Cortvriend. The Bulletin is published in both French and Flemish. Annual subscription of 30 French francs may be sent to Daudé-Bancel, 6 Rue de la Prevotière, Boisguillaume, Seine; or of 10 Belgian francs to Cortvriend, Cederlaan, Wilrijk. Mr. Cortvriend quotes a number of typical examples of increasing land values; for instance: Four hectares of land situated between the Chaussée d'Antin and the Madeleine in Paris were worth 5,700 francs in 1552; 606,000 frs. in 1775; and in 1930 they had a value of more than 80 million francs. Again, in the Rue Neuve of Brussels, after the 1914 war, frontages were worth 2,345 to 4,600 frs. per sq. metre; after the stabilisation, 4,750 to 11,200 frs. Several sales just before the last war seemed to indicate that in the most favourable commercial positions in Brussels and Antwerp, the value of the land was more than 10,000 francs per sq. metre.

This note is also made by E. Wickersheimer: "Think that in Paris, land which was sold in 1850 for 50,000 francs the hectare had a value of 12,000,000 francs per hectare in 1896 and without the merit or the work of any sort on the part of the proprietor. That is what made the fortune of the Rothschilds. . . . I call to mind a law which has been forgotten but not abrogated, the law of 1807, by which the State was to cash half the increased value given to land by public works. If that law were applied, the State would have something toward liquidation of the national debt."

Mr. Ivanoff, Clichy, France, writes interestingly of his own work in the Press, and he is busy on a number of articles as well as translations of English Georgeist pamphlets. In *l'Homme et la Vie*, organ of a Society called "Integration" which appears to have a mission of its own—the Editor, Girardin, very critical of anything else—Ivanoff had an article on "Great Men," naming among them Henry George. But the Editor who evidently had had more propaganda of the sort amused himself in a succeeding issue with a quip entitled "Solutions instead of Patchwork." Among the brave friends, he said, from whom he had received suggestions were those who spoke for Georgeism. "What's it all about? Put broadly, it is to replace all taxation by a tax only on the value of land in town and in country. Mining, agriculture, transport, exchange, building, education, the urban and rural milieux—are all these reforms necessary? Don't pester yourself—The Single Tax!" It seems that the Georgeists make sport of 'Integration.' So much the better, but, returning the compliment, we do say they make us a little sad." The Editor had his fling.

Mr. Cortvriend has successfully placed his article, "What is Georgeism?" in a number of papers. Besides those already named, there were the Normandy *Cité Nouvelle*, the weekly Socialist journal; also the Belgian *Volonté*, the democratic, social, economic and political weekly. A professor in Economics who is at present assisting Minister Spaak, caused publication in the latter instance and put his own postscript to it: "The next word is with the Minister of Finance." Mr. Cortvriend hopes to improve his acquaintance with the Professor.

### GERMANY

Mr. Rudolf Schmidt, of the Bund für Land und Freiheit, Nassauische Str. 54-55, Berlin-Wilmsdorf, acknowledges six parcels of miscellaneous books and pamphlets sent by the United Committee. Some of these he would have proceeded at once to translate and publish, but he regrets the circumstances which make that impossible, because at present the Bund is not yet licensed in Berlin itself, where the procedure—because of the four-Power administration—is more difficult and more protracted than in the Bi-Zone. For that reason the effort to gain official recognition of the Bund as an active agency is