

## TO SECURE THE PROSPERITY OF TANGIER

Mr. William Bird, who is a member of the Legislative Assembly, contributed an important article, three columns to *La Dépêche Marocaine* of January 27. In this he argues strongly for land value taxation as the right way to better the finances of Tangier. He writes that the administration has decided that in view of present world conditions, that is to say the danger of war, the 1951 Budget of the territory should not embody any new expenditures. It is believed that if war did take place Tangier would be deprived of a large part of its Customs Revenue and as that represents three-quarters of the fiscal resources, the budget balance will be seriously compromised. It is evident that in any event the International tension can be indefinitely prolonged. In that case will Tangier be condemned to stagnation? Are we to allow our public services, water and electricity supply, our harbour installations, our highways to deteriorate? It is not an enjoyable prospect and we must discover how to get out of the dilemma. It is a matter of finding, if that is possible, sources of revenue to replace the Customs duties.

After discussing various alternatives, Mr. Bird says there is one subject of taxation which cannot fly away and that is the land. Taxation on its value will not only be a sure source of revenue for Tangier, but also an act of simple social justice. Everyone knows that the giddy height of the price of land in Tangier is a direct result of the development of the city. It is because we have made the streets, provided the water supply, created all the diverse municipal services, that the price of land has so rocketed in recent years. It is ourselves, it is all the people of Tangier, who have created this increase in value. It is therefore just that we should recover a part, to say the least, of this increase in the form of taxation.

At present the only tax which is levied on real estate is the tax called "Urban" which falls only upon built-upon properties. If you do not erect buildings, if you leave your land lying waste, you pay nothing. If, on the contrary, you venture to erect a building for dwelling or business purposes, the authorities enquire what income you make out of it and demand a percentage of that, actually 8 per cent. Your neighbour who builds nothing and therefore who renders no service to the population profits by your initiative because it is well-known that the more construction takes place the higher rises the value of adjoining land. This neighbour who does nothing for Tangier and whom the Tangier authorities simply passes by, quietly waits while the value of his land continues to grow.

What could be more logical and more just than to say: since the value of land is a unique feature of city development, we are going to impose on all sites an equal tax (per franc of value) whether they are built upon or not. Thus two adjoining lots of the same area, one vacant and the other built upon, will pay the same tax. The result will be to induce the proprietor of the vacant land to build upon it or put it to such use as to enable him to pay the tax that is imposed. This cannot but be salutary for Tangier because the exemption of buildings from taxation will lower rents and the construction of new houses will at the same time remedy the house famine.

This fiscal policy would have yet other advantages. In lowering the price of land, it would make possible the gradual ending of rent controls, since these controls are

necessary only where competition does not prevail; it would enable us to abolish the "Urban" tax which, although it is paid by the owner is ultimately passed on to the tenant; it would put an end to the scandal of the commercial licences by multiplying the number of commercial premises; finally, liberating us from the necessity of depending upon Customs duties which at any moment may fall short, it will secure the steady development of our city, whatever may happen abroad.

It is quite inadmissible that private interests should be able, with impunity, to dominate over the growth of our city. That is what happens to-day and it will always be the case until the time when land which lies vacant shall be subject to taxation on its value. This is not a Socialist measure: it is quite the contrary. The Socialist idea is that State action shall replace individual initiative. Taxation on land, applying uniquely to the values produced as the result of the common effort, leaves completely to each individual the benefit of his personal effort; and that will enable us to conserve in Tangier that liberty and that individualism which are our heritage and our pride.

The Editor of the paper, in a special comment, is at one with Mr. William Bird. He says, "In September and in October last, we have ourselves in these columns studied the problem of Tangier's building development. Looking at this in all its aspects, we have reached the conclusion as to the necessity of taxing vacant land to cut short all speculation which endangers the future of building. We are happy to present to our readers an article by Mr. William Bird whose place in the Legislative Assembly is well-known. Opening our columns to him we assert our complete agreement with his views. The ideas which he presents to us are gradually making headway, they are gaining approval every day and they will surely triumph in the end.

### A SYMPATHETIC SHAH

The Shah, Mohammed Reza Pahlevi, who is reputed to be Persia's biggest landholder, has announced that he will split up his estates into small farms and sell them to the peasants. A special committee to organise the transfer has been appointed. The Crown lands which the Shah inherited from his father will be sold on very favourable terms, and the money received will be spent for productive purposes and on the formation of agricultural companies to benefit the peasants. The annual revenue from these lands, which include about eight hundred villages, amounts to more than half a million pounds. Previously it has been used to finance a charitable organisation sponsored by the Royal family. In a country of corrupt politics and grinding poverty, threatened by Russian Imperialism and opportunist Marxist crusaders, the Shah's courageous and enlightened action is acclaimed by the people. It is believed to be intended as an example to the three hundred families who own most of Persia and is expected to be followed by land reform legislation. The Shah's action appears to recognise the principle that the people must have access to natural resources and that the value of land should be used to finance those services which they are unable to provide. We hope to secure further information about this unusual redistribution scheme and hope that these principles will be embodied in any legislation which may follow.