

GOLD RUSH AND LAND BOOM

SPEAKING IN the debate on the Finance Bill, May 16, Mr. R. R. STOKES, M.P., referred to the gold rush in South Africa as a good example of what happens as a result of natural resources being discovered and of population desiring to go to a particular place. He quoted from *The Times*, May 13:

"Main attention at Odendaalsrust is shifting gradually away from share speculation and is concentrated on the buying of property. Plots and stands have risen spectacularly in price. The record price of £12,000 has been paid for a small building plot in the centre of Odendaalsrust which 14 days earlier changed hands at £2,700. An offer of £7,000 has been rejected for a building plot formerly worth less than £100. One sold 10 years ago for £52 is priced £5,000 to-day."

"And so it goes on," Mr. Stokes said; "this is because they are expecting population to flow there." He gave a number of examples of land prices in this country to illustrate the anomaly and inequity of the present rating system. "Tax buildings and improvements and you immediately hinder all development. Tax commerce and you at once hinder it. The purchase tax is obviously hindering people from buying. But taxing land according to its value, whether used or not, will force the owners to make use of it in the interests of the community. We need to stimulate the wealth of the country by bringing in a thoroughgoing system of the taxation of site values."
