

WHEN I first heard of Jamaica's intention to value all land at unimproved value and tax it accordingly, I presumed it was simply another area in the world that intended to utilize site value rating as a means of collecting property tax; site value rating is used locally and provincially by many countries as the basis of collecting property taxes. The Jamaican system, however, goes far beyond the simplicity of local taxation. It appears to be the start of a revolution which may have resounding effects, especially within the third world.

I received an invitation from the Jamaican Government and arrived in Kingston just before the Commonwealth Conference. It did not take me long to realize that the Government's "Landval" scheme would create shattering changes within Jamaican society. The scheme has already come under strong criticism from many landowners, and the force of complaint is increasing as Jamaicans begin to realize the extent of the move to tax the unimproved value of land.

FOR full details of Jamaica's Land Tax, we would refer readers to our September & October 1974 issue. In brief, its features are as follows:

Valuations are based on unimproved selling value taking into account location and use, zoning, development potential, prices in the area, type and size of land and other relevant factors. The tax is levied at a graduated rate, the minimum payable being \$5 on the first \$2,000 of value and the rate increasing in stages to 4.5 per cent of values exceeding \$50,000.

Derating Relief is 75 per cent for agricultural land and 25 per cent for hotel land. Relief is also given where the valuation takes into account a potential value not realised in existing use, where that existing use is agricultural, private dwelling house or an "approved purpose", eg. playing field or club. Remission of tax may also be granted where genuine hardship still occurs, in spite of the above Derating and Relief provisions.

Jamaica- Where Land Taxation Struggles For Life

BY SCOT YOUNG
(Direct from Jamaica)

Generally speaking, whenever site value rating is used, the amount of tax collected from the unimproved value of land is limited by the budget necessary for local expenditure. Not so in Jamaica where landowners on a graded scheme can pay up to 4½ per cent of the unimproved value of the land. This, in turn, will have the effect of reducing capital or selling values and make land available at vastly reduced cost with prices being directly affected by the annual tax burden. The tax falls upon the owner and the valuation is based on the market value with "potential" value being used as one of the valuation guides.

The total valuation of nearly all the island (some agricultural parishes had been valued previously) was completed within eighteen months by a team of "homegrown" valuers headed by a dedicated civil servant named Ridsen whose position as Commissioner of Valuation constantly puts him on the hot seat. On the political scene, complete with his own hot seat, is the Jamaican Minister of Finance and Deputy Prime Minister, David Coore; it was he, during the original wave of criticism against "landval" who stemmed the tide and held the Government's position. Armed with a strong sense of purpose and a sharp legal mind, he resolutely defends the new evaluation system as "just and reasonable."

As Prime Minister, Michael Manley received the usual amounts of praise and criticism, but his overall concept of what a third world country should do to achieve economic liberty is clear. His father was the man most responsible for promoting a land tax system, but those initial efforts were not put into serious practice until "Landval" was launched last year.

It would be impossible to examine the fabric of Jamaica without considering its past and taking into account the effects on its people of British domination. Generation after generation was kept in physical subjugation where the price of escape was imprisonment or death. When slavery was abolished and colonial rule established, the decision-making process was available to few of its population.

Jamaica's main asset is its people; they have developed a very special and significant character, which has not lent itself to the discipline of either the Catholic church or communism; despite the years of slavery and ill use, their spirit has remained truly free. This massive collective individuality is beyond the minds of the European establishment to understand, and it could produce a new way of life by developing a system of social organization that has never been seen in modern history.

It would appear that Jamaicans are not willing to accept either of the two social world orders which are dominated by Russia and America respectively. Nor do they seem willing to base their society on an "adjusted" derivative of either. They are not simply looking to achieve a "mixed economy" as most European nations are now doing.

No modern nation has ever attempted to do what the Jamaicans have actually started to do, which is to have all the unimproved value of nature, including land, come to the people through a system of common ownership, whilst at the same time leaving free competitive enterprise in the hands of individuals. *Anyone who believes that this development is without historical and international signi-*

fiance fails to grasp the depth of change that underlies this move towards a new society.

Where business enterprise is not in a clearly competitive state, the Jamaicans are moving towards the tendency of the Western nations mixed economy principle, but this is "tinkering" compared to the more basically fundamental move to hold land and resources in common ownership, whilst allowing individual enterprise and private ownership of wealth to exist side by side. *In separating what nature has created from what man has produced, the Jamaicans are inventing a totally unique and different type of society.* Land including the sub-surface elements has always been the flywheel of power. Moves to control land have been the underlying cause of much human conflict.

In the capitalist West land is generally left in the hands of private individuals and business enterprises. In the communist countries, land and human enterprise is owned and controlled by the state.

Both systems have failed and failed miserably, and this is what makes the Jamaican experiment so exciting. It is a genuine attempt to seek out and operate a totally different method by which human beings can seek progress.

In attempting to achieve this new order, the Government of Jamaica must walk a dangerous political tightrope. The poverty-stricken masses, poorly fed and badly housed, are demanding "instant" changes which means outright socialism. The middle and upper classes on the island see any change as leading to the path of communism, and this, in turn could pressurize a move to the extreme right. It is easier to see where Jamaica's path leads if viewing from the outside, rather than trying to comprehend Government moves in a way that would affect one personally, who lived within Jamaica's society. The Government realizes that Jamaica's solution lies in tackling causes rather than in treating effects, and its moves to do this are creating great waves of animosity.

Whether or not Jamaica will succeed in its brave new world, will depend on how fast basic changes produce results.

JAMAICA

A Different Kind of Socialist

ROY DOUGLAS

A FEW months ago, I reviewed Harold Wilson's book about the Labour Government of 1964-70. This book strongly suggested to me that Britain's Prime Minister was a man by no means lacking in high human and political qualities, yet curiously bereft of any deep sense either of the past or of the future. As some men are tone-deaf, or incapable of ever appreciating a poem, so Harold Wilson revealed himself to be without any historical sense whatever: a politician, but never a statesman.

By contrast let us examine Michael Manley, Prime Minister of Jamaica, as seen through his book, *The Politics of Change**. No doubt Michael Manley would also describe himself as a socialist; and in Britain there is little doubt that he would fit comfortably into the Fabian Society.

Within the confines of his economic errors, Michael Manley has thought deeply about political fundamentals: economic, sociological, psychological, historical. He is a man far too wise, far too humane, far too intelligent, to wear chips on his shoulder; yet he is well able to appreciate how others do, in a land where nearly everybody is descended from slaves and has keen memories of colonialism.

There have been human societies where radical change was difficult, or impossible. In Jamaica at the moment of her independence, radical change was not merely easy and possible, but absolutely inevitable. The operative questions were how and when the change should occur, and in what direction.

Michael Manley is nothing if not a realist. He appreciated full well, for example, that a small and under developed country required foreign capital to develop at any speed, and it was futile to grumble about neo-colonialism. He appreciated the educational needs of a

land with a high proportion of illiteracy. He saw the social problem of awakening a people who, for a variety of historical reasons, had come to accept a rather run-down, unimaginative way of life.

Thus far, we see Michael Manley as very much the man for the job. But, what a pity he has that streak of paternalism that seems to characterise most political figures today: the quiet confidence that if only every economic problem is left firmly in the hands of themselves and their friends, and all the wise, altruistic planners, then everything will be well.

We meet all the sad, swinging clichés - "relevant"; "elitist", "economic strategy", and so on, half a dozen to the page.

I must stop carping. Mr. Manley has done a good job, has introduced a measure of land-value taxation in his country and has written a good book. If we must have a socialist Prime Minister, then I should be very pleased indeed to swop him for Harold Wilson.

UNIVERSAL TRUTH

"If the situation (in Germany) after the war had not been hopeless, it would have been impossible to have, as I did, a policy based on order. If countries live above their means, and central banks encourage them to do so by a policy of easy money, then their balance of payments cannot be in order and there cannot be real competition. This is the position we have reached today in the West. We have run off the rails. The question is how we get back on them. I am a fanatic of order. A country which is ready to restore a good orderly balance is a country where there is social justice." Ludwig Erhard, Paris, 6th March.

*Andre Deutsch, £2.75.