East London's Example

At the Cape Province Municipal Congress, held in East London in April last, much discussion took place on the Rating of Site Values. This was prompted by Councillor E. J. Evans, of East London, who, as one of the delegates, submitted a brochure specially printed for the occasion, and entitled *Municipal Rating, a Plea for Site Value Rating for Cape Provincial Towns*. Here the exposition of the underlying principle, from the moral as well as the economic point of view, is given further force by the demonstration, which East London affords, of the successful and beneficial operation of the principle in practice. It is a testimony based on 30 years' experience which cannot be gainsaid. The Conference was well served by the arguments, and the facts and figures placed before it. Delegates were impressed and a number are now busy considering how they can influence their Councils to emulate East London's example.

The standard system of local taxation in the Cape Province is to levy the rates on the combined capital value of land and buildings taken together; that is to say, the same "flat rate" in the £ on buildings as on land. Site value rating departs from that system by using the separate valuation of land so as to levy the rates upon the value of the land alone and exempt the buildings (and other improvements) from taxation. Municipalities in the Cape Province, acting on resolution in Council, confirmed, if need be, by a referendum of the voters, have an option in that regard. They can abandon the "flat rate" system by transferring the rates on to site values, correspondingly reducing or abolishing the rates which fall upon buildings. These powers were conferred by the Municipal Ordinances of 1917 and 1918.

East London and the adjoining municipality of Cambridge (they have since been amalgamated) immediately took advantage of these powers. Cambridge went full out for site value rating only. East London proceeded to place the bulk of its rates on site values and, cutting short the story of that progression, the present (1948) position is a site value rate of 1s. 9¼d. in the £ and a rate on buildings of 2½d. in the £. These rates apply now in both East London and Cambridge, but there is a steady agitation to be finally rid of the building-tax.

Mr. Evans relates in his brochure a piece of Cambridge history. In 1863 the British Government provided a settlement there for German immigrants by granting land to them in 10-, 20-, 30- and 40-acre lots. When the town began to develop the existence of these large plots drove people far afield in search of land on which to build their homes and amenities were difficult to obtain. In 1919, however, the site value rating system was adopted and a process of *in-building* set in. In spite of a largely increased demand for land on which to build, the new system of rating brought into the building market land at reasonable prices and homes went up apace until to-day the population of Cambridge has reached the figure of 12,000 *without adding a single acre to its size*. "In other words," Mr. Evans says, "site value rating assists the orderly development of a town, eliminates large intervening empty spaces, thus keeping down the capital cost of water, sewerage and electric light mains per unit of population—and at the same time—owing to its effect in reducing the price of land, prevents the adoption, as a standard, of small lots such as those we see in some of the older districts of the town built under the flat rating system."

A Start in Jamaica

But this time it is expected that the Jamaican Government is choosing the man who is to institute the Taxation of Land Values. The advertisement offering the appointment has appeared in the Journal of the Chartered Surveyors and elsewhere, including papers in Australia and New Zealand. The closing date was May 31st, 1948. The advertisement read :—

> Applications are invited for the post of Valuation Commissioner in Jamaica. The selected candidate will be required to take charge of a new Central Valuation Department and to carry through the proposed introduction of a system of taxation based on the "unimproved value of land." Qualifications required are considerable experience of the practical administration of a system of taxation based on unimproved land values. The salary offered is £1,500 on agreement for three years in the first instance. In addition travelling and subsistence allowances would be payable under local regulations. Free passages provided on appointment and termination for the officer, his wife, and children, not exceeding five in all. Interested candidates should write for application forms to the Director of Recruitment (Colonial Service), 15 Victoria Street, London, S.W.1, giving brief details of age, qualifications and experience.

It will be recalled that in August, 1943, the Governor of Jamaica, Sir John Huggins, appointed a Valuation Commission to enquire into and report upon the incidence of taxation on real estate. The Commission was presided over by the Hon. Simon Bloomberg, the Collector-General, and issued its report in July, 1944, which recommended that all existing taxes on real estate be abolished and be replaced by taxation of land values, the revenue going to the local authorities. The report went very fully into the subject, and is a State paper of exceptionally instructive value. A large part of the text appeared in the October, November and December issues of Land & Liberty. The news that the Jamaican Government has now decided to act upon the Commission's recommendations is most encouraging. It will be interesting to learn who has been entrusted with the important task which, being accomplished, will mean so much for the welfare of the Island and its inhabitants.

Land-Value Tax in Malta ?

The weekly Labour Party journal, *The Torch*, published in both English and Maltese, has been running, in Maltese, a series of articles by "Guze" in advocacy of Land Value Taxation. Mr. Orlando Smith has written explaining that Maltese is used for these articles in order better to reach the masses. On June 17th, the subject was "Recent customs duties are erroneous; land value tax the remedy"; on June 24th: "Land Value Taxation, what it is"; on July 1st: Report of Conference urging the immediate introduction of Land Value Tax, named by Mr. Smith a great success; on July 8th, with quotation from Tolstoy, a statement on other countries, including New Zealand, Australia, South Africa, etc., and referring to the Snowden Act of 1931; on July 15th: "The Value of Land is the People's Property"; on July 22nd: "Private property is sacred except where land value is concerned." A special article, entitled "Thou Shalt not Steal," has the editorial remark which Mr. Smith translates thus: "We are officially informed that the present Government is considering the introduction of the 'land valuation tax,' but this will take some time owing to the ascertainment of land values." But to all that there is the reaction of "Catholic Action," about which Mr. Smith is naturally concerned. Its bi-weekly journal, *Lehen Is-Sewwa*, July 24th, carries a very long article by Minn Baruk contending that the theory of Henry George is contrary to Catholic teaching and contrary to *Rerum Navarum*. An age-old controversy is therefore stirred up, and the Maltese Labour Party should have no difficulty in setting it at rest. There is ample material in George's *The Condition of Labour* and in Stephen Bell's *Rebel, Priest and Prophet*, being the Life of Edward McGlynn, the story of how he was excommunicated and later reinstated and vindicated. Mr. Smith asks to be furnished with other statements and declarations bearing on this contention that "Henry George's teaching is contrary to Catholic teaching." What better denial could he find than in *Quadragesimo Anno*, the encyclical of Pope Pius XI, the relevant extract from which is found in our new edition of *The Condition of Labour*? An informing article, "Catholics and Henry George," appearing in LAND & LIBERTY of June, 1942, will also go to him. It is good news that the Land Value policy is being taken up in Malta with so much determination, and that Mr. Orlando Smith can say, as he does in his latest letter: "The Government intend to nominate a commission to report on the advisability of introducing a Land Value Tax and, consequently, in this Catholic country, Catholic support will be found to be very helpful."

Pope Pius XI on Property Rights

We give here the extract, referred to above, from *Quadragesimo Anno*:—

"First, let it be made clear beyond all doubt that neither Leo XIII, nor those theologians who have taught under the guidance and direction of the Church, have ever denied or called in question the two-fold aspect of ownership, which is individual or social according as it regards individuals or concerns the common good.

"The original acquisition of property takes place by first occupation and by industry, or, as it is called, specification.* This is the universal teaching of tradition and the doctrine of our predecessor. Despite unreasonable assertions to the contrary, no wrong is done to any man by the occupation of goods, unclaimed and which belong to nobody. The only form of labour, however, which gives the working man a title to its fruits is that which a man exercises as his own master, and by which some new form or new value is produced.

"It is rightly contended that certain forms of property must be reserved to the State, since they carry with them an opportunity of domination too great to be left to private individuals without injury to the community at large. Just demands and desires of this kind contain nothing opposed to Christian truth."

* In the civil law, specification is the working up of a thing into a new product; for example, the making of bread from grain.—*Encyclopædia Britannica.*

THE FORTHCOMING INTERNATIONAL CONFERENCE

Plan your next year's summer vacation so that part of it will be spent at "The Hayes," Swanwick, Derbyshire, England, during the week, August 14th to 21st, as member of the International Union which in those delightful surroundings and in that week holds the Seventh International Conference to Promote Land Value Taxation and Free Trade.

"The Hayes," a spacious mansion with adjoining hostel and extensive grounds, is one of the most sought-after places in England for Conference purposes, offering as it does the advantages of a centre where those engaged in a common cause can at the same time enjoy a holiday together.

The terms for board and lodging are on a moderate scale and (subject to any material change in the level of prices) are as follows: Seven days' stay, £5 10s.; six days, £5; five days, £4 10s.; four days, £3 15s.; three days or less, £1 per day. This is for accommodation in the main building and the hostel in single and double bedrooms and bedrooms with three or four sharing. Accommodation under camp conditions (in well-appointed hutments) is available at cheaper rates and will be quoted if special application is made.

Already, the announcement of the Conference in our previous issue has brought numerous responses. Besides the many in the United Kingdom who have enrolled (or intimated their intention of joining) correspondents in the United States, Canada, New Zealand, Denmark, Norway, Holland, Belgium and France have named themselves or their associates as coming to England for the occasion.

Conditions attaching to membership of the Conference are—due enrolment as member of the International Union for Land Value Taxation and Free Trade, accepting and approving its objects and having paid the annual membership fee of 5s. or $1; also payment, any time before August, 1949, of the special Conference fee of £1 towards meeting the general expenses of the Conference.

As the accommodation at "The Hayes" is of course not unlimited, it is important that early reservation be made. Address communications to: The International Union, 4 Great Smith Street, London, S.W.1—**See page 171.**

Throughout the 18th century—and the great Whig families were at least as much to blame for this as the Tories—by enclosure of commons, by grants, by handling of the franchise, by taxation, by poor laws, in result punitive, though intended to be palliative, the English peasantry underwent a steady process of degradation into serfdom: into a serfdom which, during the first twenty years of the next century, hung constantly and precariously on the edge of actual starvation. The whole theory of culture worked upon a principle of double restriction; of restricting, on the one hand, the realm of polite knowledge to propositions suitable for a scholar and gentleman and, on the other, the numbers of the human family permitted to be either. The theory deprecated enthusiasm, as it discountenanced all ambition in a poor child to rise above what Sir Spencer Walpole called "his inevitable and hereditary lot"—to soften which and make him acquiescent in it was, with a Wilberforce or a Hannah More, the last dream of restless benevolence.

—*Sir Arthur Quiller-Couch.*