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28 MAY 1903

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**PUBLISHED IN ASSOCIATION WITH THE LABOUR PARTY,  
33, Eccleston Square, Westminster, London, S.W.1.**

# FOREWORD

— BY THE —

Rt. Hon. J. H. THOMAS, M.P.

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*At a time when there is an increasing number of people associated with all the political parties taking a deeper interest in Empire Affairs, my friend Wedgwood is rendering a real public service in publishing a clear and authoritative statement of the facts of Local Rating throughout the Empire.*

*In public life nothing is more dangerous than ignorance, but thanks to the work of Mr. Wedgwood those concerned with questions of Local Taxation in the Empire now have the facts readily available and will be able to form an accurate opinion on the subject. Having regard to the valuable information it contains I hope that this little booklet will be widely read.*

J. H. THOMAS.

## Local Tax

Empire. S. C. P. O. 1

**M**ETHODS of raising local taxation have not yet been determined in many Crown Colonies where local administration is just developing. There is no common practice within the Empire, no text book and little guidance from the Colonial Office. Almost everywhere the way to raise local revenues has just happened; the powers conferred on local authorities have been accidental; the very names of the areas endowed with powers and condemned to raise money illustrate in their variety the wealth of the English language.\*

We are an Empire of Democracy—teaching the juniors how to govern themselves and become partners. The practice of self-government begins easiest at the bottom; indeed, unless it begins at the bottom, it is apt to lack foundation. Yet we take no trouble to see the foundation well laid, nor to establish rules for the foundation.

What actually happens is something like this. The Governor of Nigeria, or Ceylon, or Palestine, finds the streets of his capital uncivilised in the matter of offal or taxi-cabs. He speaks seriously to the District Commissioner in charge, and says, "This is getting too much of a good thing; we had better set up a Municipality to keep the place clean." They see Sir John Jones, the Attorney-General, and ask him to draft an Ordinance. Sir John Jones does his best—he perhaps remembers what they did in Jamaica when he was there—he knows something about law and something about drafting, but he knows as little as the Governor about Local Government. The Ordinance is drafted, approved by the Executive who probably do not read it, and sent home to the Colonial Office. Unless anything in the Ordinance is strikingly unusual, the Colonial Office trusts the "man on the spot," assumes that the peculiarities are due to special local conditions, and the Ordinance is promulgated and becomes law. Henceforth Lagos, or Singapore, or Jerusalem has a Municipality with powers, such as the Attorney-General happened to think of, with electorates which differ all over the map with as much variety as in the pre-Reform Boroughs, raising money anyhow so long as there is no call upon the Colonial Exchequer for a subvention. These Ordinances are a perfect example of the manner in which the British Empire and the British Constitution grew up by luck.

The Local Authority's powers of control quite properly vary. The most elementary form gives the Local Authority power to empty refuse or night-soil bins at a fixed charge. The most extensive confer almost a regality—police, education, sanitation, municipal trading, banking, housing, roads, slaughter and wash-houses, baths, parks and playgrounds, allotments, small-

\* England—Cities, Boroughs, Counties, Urban or Rural Districts, Parishes. Scotland—Cities, Burghs, Counties, Parishes. United States of America—Cities, Towns, Counties, Road Districts. Australia—Cities, Towns, Shires, Districts. New Zealand—Boroughs, Town Districts, Counties. Canada—Rural Municipalities, Towns, Villages. South Africa—Municipalities, Local Boards, Divisional Councils. Rhodesia—Municipalities, Road Councils. And in the Canadian West they have resurrected as a village functionary the old English Reeve.

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holdings, transport regulation, etc., etc. In America the Judges of first instance are in many cases the servants of the Local Authority. The decentralisation, the Local Authority's power of control, is greatest in American cities. British cities come next, with their control over their police and education and loans, sometimes even of banking. The cities of the Dominions do not generally control or pay for justice, police nor education. Shires, Counties or Divisions come far behind, and Districts, Parishes, Villages or Road Boards have still smaller powers.

It is curious that, as an instance of the haphazard nature of the growth of Local Government in the Anglo-Saxon world, the "Township" of Tel Aviv in Palestine, with 43,000 inhabitants, has the greatest powers of any city in the British Empire. It has all the powers of Manchester Corporation and can, in addition, raise the local revenues as the Council pleases. It is, or was, a sort of independent republic. Tel Aviv is in fact enjoying the best of both worlds. Anglo-Saxon local government has developed one set of features, while German and Continental local government has developed others. Tel Aviv, at the cross roads, has adopted both.

So far as their many-sided activities are concerned, Local Authorities on the Continent do not differ very greatly from those in the Anglo-Saxon world. The head of the city is more generally paid, is more often a specialist, and more often permanent. Police and education are more generally controlled by the central government, but not markedly so. The power to borrow is slightly more restrained. It is the power to raise revenue for the various regular services which is so strikingly different on the Continent. In Europe the Local Authorities raise what we call "rates" in a dozen different ways which they can often vary at pleasure from year to year. Instead of "striking a Rate" they introduce an annual Budget. They can raise the money by an octroi on imported goods, by turnover taxes on shopkeepers, by a window tax, by a local income tax, by licences to trade, by professional taxes, by taxes on animals, or fees, by taxes on undeveloped building land, by increment taxes on land sales, by taxes on all land value, or, finally, by a general tax on fixed property. No Local Authority possesses quite all these powers to tax—all vary, but some selection of these local taxes is to be found everywhere from Madrid to Moscow. Denmark alone, so far as I know, specialises in taxes upon all land value in urban and rural areas.

While Continental practice gives us this amazing variety, the Anglo-Saxon world plods along the old-established groove. From the time of good Queen Bess, all English Local Authorities have "struck rates" assessed upon the value of real property, and they have levied the "rate" upon the occupier of that property. The value of the real property always used to be measured by what that property would let for by the year in its then condition. The "Annual Value" of the property occupied became the standard by which the contribution of the citizen was measured. If expenses went up, then a higher "rate," more shillings and

pence in the pound, had to be struck ; there was no other way. Scotland has some slight variations, such as levying the "rate" sometimes upon owners as well as upon occupiers. Even we in England have found it desirable to make some modifications, in response generally to the pressure of "interests." But our system of levying a "rate" upon real estate remains our system and has spread wherever the Anglo-Saxon spreads. It seems to us the natural way for local taxation.

The younger Anglo-Saxons have varied our ideas of the "value" of real estate. In the United States the value of real estate is taken to be, not its annual rentable value in its present condition, but what the real estate would sell for on the open market. They have long replaced "Annual Value" by "Capital Value" as the standard of measurement. In the cities they value "Land" and "Improvements" separately, add the two and rate the total. In Pennsylvania they go a step further, for only one-half the value of the "Improvements" is reckoned in the total capital value. This is the so-called "Pittsburg plan." And in New York, to encourage the building of new houses, they have exempted from the total for a period of years all the value of such "Improvements."

No doubt the Americans originally adopted "Capital Value" in lieu of "Annual" because it was easier to estimate in a new country, free from "covenants" and "chief rents" and "terminable leases" and "ancient lights" and mixed ownership. But the younger Dominions took the matter a stage further, and for economic reasons.

"Capital Value" is a wiser basis for taxation than "Annual Value," not merely more easy to arrive at. For unbuilt-on suburban land, though it has a negligible "Annual Value," has a comparatively high "Capital Value." This high "Capital Value" is being maintained and increased by the wise expenditure of the Local Authority, and constitutes a just source of revenue which cannot be made to contribute by rating upon "Annual Value." The levying of local taxation upon such land prevents the owner from holding such land out of the market, and induces him to sell it at a lower price to those who wish to build.

This economic argument in favour of the "Capital Value" basis drove the younger Dominions on to the next stage. If a "Capital Value" basis was better than an "Annual Value" basis, then a "Land Value" basis was best of all. That would make land wanted for building (and all land) cheaper still, still more accessible to labour ; and as all Land Value is the creation of the community, what could be juster than to base taxation on that value, and so recover for the Local Authority a larger part of the value they had created. The Dominions therefore felt out towards "Land Value" as a possible improvement upon "Capital Value." It made land cheaper, and it exempted from taxation those improvements which a new country so longs to see erected.

Just at the time when Australia was beginning to look for sources of revenue for local government, Henry George passed through the country preaching his gospel. His disciples, such as Max Hirsch, saw to it that when the basis for local taxation had to be determined, "Land Value" appeared on the scene beside "Capital Value" and "Annual Value."

What Australia and New Zealand started, the other Dominions have followed up—Canada before the war, South Africa (formerly on "Capital Value") after the war; then Rhodesia; last of all, the Colonial Office under a Conservative Government began in a tentative way with Fiji and Kenya. Perhaps it would be more correct to say that in both these last cases, somebody on the spot recommended that rates should be levied on Land Values alone, and the Colonial Office made no comment.

Determined opposition to such a change must always come from the landowners, for the imposition of a "Land Value" rate or tax, or even the change from "Capital Value" to "Land Value," must inevitably increase the supply of land available for use and make all their land cheaper, less valuable to the owner. This opposition has prevented any change in Great Britain, where property owners are numerous and such mysteries as valuations, assessments and rates beyond the comprehension of the man in the street. Where a State Valuation, showing Land and Improvements separately, is available, as in Australia or Canada—where comparisons can be made of what each voter pays or will pay under "Capital Value" and "Land Value," as in South Africa and New Zealand, there opposition can be overcome. It is not always the ultimate economic benefit, but the immediate evident cash benefit that convinces the electors of the wisdom of the change. Yet even in New Zealand and South Africa the battle has not yet been won. Cape Town retains "Capital Value" with the same determination as Auckland retains "Annual." Month after month, year after year, new townships or shires fight out the fight afresh, polling the electors again and again For or Against "Land Value" rating. There is less of a struggle in Australia or Canada, for such rating is compulsory in Queensland and New South Wales, and in Canada it is not the poll of the ratepayers that decides but the votes of the Councillors in Council.

At the moment it is the turn of Palestine to decide on the method of raising local revenues for the municipalities (excluding Tel Aviv). The Municipal Ordinance of 1926 adopts "Annual Value," supplemented by the Wergo Tax; but this is supposed to be only temporary, until the Wergo Tax has been reformed by a valuation of "Capital Value," when Land Value and Improvement Value will be available for rating, should the Administration or perhaps the Local Authorities desire to use the new valuations. The truth is that the Palestine Administration is balancing between the British Colonial system, and the Continental system as exemplified in Egypt, in Tel Aviv, and unfortunately in India.

Tel Aviv, as we have seen, has powers of a continental sort, and can raise revenues in a multitude of ways. One way is to



put a tax, rising to 2s. in the £, on unbuil-ton town sites—and 2s. in the £ on the selling value of land is certainly more than the land is worth to any owner. But the Jews of Tel Aviv are allowed to govern themselves and tax themselves according to their own sweet will; the Administration is disinterested. The Administration would not dream of using Tel Aviv as a model for the mixed communities of Jerusalem, Jaffa or Haifa; or of entrusting such powers to the purely Moslem Nablus. Egypt, India or England will be more natural prototypes.

India is the solitary case of an Anglo-Saxon-ruled country which has adopted the German-Continental methods of raising local revenue. They attempt local taxes on property, but they subsist on licences, fees, octrois, terminal taxes and wheel taxes, even taxes on visitors from the country. Experienced British officials press for the continuance of the Octroi and such like; and the reason is worth noting. They would naturally prefer to tax the "Annual Value" of fixed property, but no valuation made locally can be trusted, evasion is so common, corruption so normal, that, so they say, taxes must be of the nature of personal tolls. Such tolls a primitive people can understand. Of course, the Indians are not so primitive as these officials would sometimes like to believe, but the same difficulty of securing a just valuation was found in Australia so long as the Valuation was made locally. Indeed, it is our difficulty in England, and the main reason of the various attempts of the present Government to put local valuation more under the control of the Income Tax authorities at Somerset House. The lesson of England and of all our Dominions is that the State authorities should make and supply the valuation if it is not to be subject to interested local pressure—and that the more the valuation lists are open to the public inspection, the more they are likely to be accurate and avoid complaints of injustice.

How then, exactly, is local revenue raised within the British Empire? It is as well to have it in compendious shape, and I propose to go through all the scattered members and record their methods for comparison, even for the guidance of those shires and boroughs in budding lands that have yet to shoulder the task of managing themselves.

### GREAT BRITAIN.

Rating is on the Annual or letting Value of all real property—such value being dependant upon its present condition; but, to facilitate improvements, we exempt factory machinery and take into account only one-quarter of the value of glass-houses, farm buildings, and farm cottages of less than £10 annual value. On the other hand, the system exempts from rating altogether any empty houses, idle factories and mines, and unused land and minerals (that being their "present condition"); the pressure of the agricultural interests has also induced Parliament to exempt three-quarters of the annual value of farm lands, whether cultivated or not.

## NEW ZEALAND.

One takes New Zealand next, as the pioneer in the modification of the English method. They still strike Rates on real property, but the basis of assessment is changed.\* Their separate valuation of the selling (or capital) value of land and improvements began with the Land Tax Act of 1878. Having this valuation of the land ready to hand, they passed the Rating on Unimproved Value Act of 1896. The normal system of rating was, till then, the English system on Annual Value. The 1896 Act allowed a poll of the ratepayers to be taken to decide whether they should rate instead on Land Value (Unimproved Value). A poll to rescind, or a fresh attempt, may be made after a lapse of three years. Before 1911, this Act applied only to the general Rate—water, gas, electric light, sewage, hospital and charitable aid Rates were still to be based on Annual Value or upon Capital Value. After 1911 the law required all these Rates to change their basis with the General Rate, if the poll were successful; but, as the Act of 1911 was not retrospective, fresh polls have to be held for the minor Rates wherever the original change to Land Value Rating was made before 1911.

Since 1896, 220 polls have been held to secure Land Value Rating, and of these polls 171 have been carried and 49 have failed. A further 19 polls have been held to rescind the Land Value system, and of these five have succeeded, and 14 failed. Auckland rejected Land Values in 1901 by a two to one vote; four months later Wellington carried it by two to one; Christchurch voted Land Values in 1902. The Counties came later—Southland in 1902, Whangarei, 1914, Featherstone at a second fight in 1915, Taranaki 1920, Bay of Islands 1920, Otamatea 1922, Marlborough 1925. In Hastings Borough it was twice rejected, carried in 1909, and extended to all rates in 1913. Now, 51 out of 123 Counties, 74 out of 118 Boroughs, and 17 out of 31 independent Town Districts have got on to the Land Value basis, and half-a-dozen fresh polls take place each year. Wellington has just (April 1927) defeated a rescission and carried an extension to all Rates by a two to one majority. Fifty-four per cent. of the population of New Zealand is now rated on Land Values.

Wherever the Land Value basis has not yet been adopted, the Local Authority itself is able to choose whether to rate on Annual Value or on Capital Value. Twenty-seven Boroughs are on Annual, and 18 Boroughs are on Capital Value. All the Counties which are not on Land Value are on the Capital Value basis, which explains the slower progress made in the Counties, since the change from Capital to Land Value in rural areas is less markedly beneficial.

The actual Land Value Rate levied varies, from 2d. in the £, up to 1s. 1d. in the £, where all communal services are measured by the standard of land value. The Valuation Roll itself is fairly accurate, being supplied to the Local Authorities (on payment) by the Chief Valuer, a State official, and revision is supposed to take place every five years.

The unique land value statistics from New Zealand enable one to trace a growth of land value from 62 million pounds in 1878 to 339 millions in 1925. The growth of land value goes on steadily at the rate of about 20 millions a year; and the ratio of Improvement Value to Land Value has gradually risen from about 60 : 100 to 73 : 100. The Land Value per head of population has grown in the same time from £129 per head to £241 per head. Of the 339 millions of total land value of New Zealand, 232 millions are to be found in the Counties and 107 in the Boroughs and independent Town Districts.

## COMMONWEALTH OF AUSTRALIA.

### New South Wales.

This State is mostly incorporated into Municipalities and Shires. All these Local Authorities are compelled by law to levy all their General Rates upon Land Values. Where Special, Local or Loan Rates are raised, the Council concerned can levy the Rate on Capital Value or on Land Value as they choose. A poll of the ratepayers may be demanded as in New Zealand, but such poll is rarely demanded as rating on Land Value is almost universal. In 505 cases, the Special Rates are on Land Value, and only in 24 cases on Capital Value. But in Sydney and Newcastle, Water and Sewerage Boards do still levy their Rates upon Annual Value, though they have the power to change to Land Value. There is no power yet to hold a poll in this case.

In the Shires the maximum Rate that may be levied is 2d. in the £ for the General Rate. The Governor may, however, and often does, extend this limit, which applies in any case only to the General Rate. Seventeen Shires exceed the limit, and levy 2½d. to 3d. in the £. The rate on ungotten minerals in private hands may not exceed 3d. in the £.

The Valuation of Land Act of 1916 requires the State to make valuations which are supplied to the local authorities. This valuation shows Land Value, Capital Value and Annual Value, but it should be noted that the Annual Value of land, where there are no improvements, is held to be not less than 5% of the Land Value. The Valuation is not open to the public, but anyone desiring to know the value of a property can get the information on payment of 2/6. There is no State Land Value tax except upon the unincorporated parts of the State, which have not yet been divided into Shires, where, of course, the rating on Land Values would be in force.

In Sydney and suburbs the actual rate levied varies from 3½d. to 6d. in the £. In Newcastle it is 4d., in Wagga 11d., and in Orange 17d. Eight sample shires give rates varying from 1½d. to 3d. None of these local authorities pay for police or education. The sum total of local Rates raised in N.S.W. is £7,260,009 a year, i.e. an average rate of 6·7d. in the £ on land value. Land Value per head of the population works out at £112 for Sydney and suburbs, £65 for other Municipalities and £210 for the Shires.

Where land is let on long lease, the lessee pays the rate, but he can apply under the Act of 1902 for an adjustment to determine the interest of the superior and any mesne lessee in the land, and then he can recover from them their share. In practice the lessee by the terms of his agreement usually pays the whole, and where the lease is a long one he is considered to be the owner; but the law on the matter needs elucidation.

One-third of the cost of the new Sydney Harbour bridge, a State enterprise, is to be met by a rate of  $\frac{1}{2}$ d. in the £ on the land of Sydney and the northern suburbs, as the owners of such land will specially benefit by the construction.

### **Victoria.**

Victoria is all divided into municipalities and shires. There is a State Land Value tax of  $\frac{1}{2}$ d. in the £. The normal method of rating is on Annual Value, but under the Rating of Unimproved Land Values Acts of 1914-9, any Council may adopt the Land Values basis, or the ratepayers may demand a poll on the question. The Valuations show Land Value, Capital Value and Annual Value, and are made by the valuers of the Local Authority; the roll is, practically, open to the public. The law applies equally to urban and rural authorities. There are limits set to the Land Value Rate that may be struck; the proceeds must not exceed the amount that would be raised by a rate on the Annual Value of the locality of 3s. in the £. To check this, Annual as well as Land and Improvement Values have to be continually recorded in the roll.

Councils have in nearly all cases preferred to wait for a demand from, and poll of, the ratepayers. In the four years since the Act was passed 11 municipalities and three shires have adopted the new method. Two polls have been held to reverse the adoption and have both been defeated. The suburbs of Melbourne have "gone Land Values," but not yet Melbourne itself; and the rate struck varies from  $1\frac{1}{4}$ d. in the shire of Rosedale, to 7d. in the "city" of Brunswick. Of these 14 Land Value Local Authorities, the population is 286,000 and the land value £25,000,000, or £89 per head.

The Act makes owners responsible for payment of the Rate; but in the case of long leases, there is generally a clause inserted which provides for lessees paying the Rates to the owners. This is left to the "free" bargaining of owners and lessees.

### **Queensland.**

Queensland, before all other parts of the Empire, changed on to a Land Value basis. All the State is incorporated into Cities, Towns and Shires. In 1890 the Coalition Government (Liberal and Conservative), under the direction of Sir S. W. Griffith, passed the Valuation and Rating Act, which made rating on Land Values compulsory throughout Queensland. All Rates are now so levied; in Brisbane they amount to 10d. in the £ for the General Rate, 4d. Water Rate and 5d. Sewerage Rate—19d. in the £ altogether. The valuations are made locally, and they are not

open to the public, which causes considerable undervaluation and inequality between different areas. Improvements are not assessed or valued at all. Recently, land used for agriculture within the area of Greater Brisbane has been charged at a lower rate.

Mr. Hardacre, the Judge of the Land Court, tells me that the main disadvantages of the Queensland system are lack of a centralised valuation, the absence of the check given by publicity for valuation, and the partial exemption of agricultural land in Brisbane which leads to the holding up of such land for speculation. The only opposition in 37 years has been an effort by the Brisbane Water and Sewerage Board to revert to Annual Value for their rates. This was vetoed by the Labour Government last year.

In every case the owner is liable for the rate, which is a first charge upon the land. Even in the case of long leases, the owner pays unless there is a stipulation to the contrary in the lease.

In addition to these local Rates, the State levies considerable taxes on Land Values. The Labour Government in 1915<sup>o</sup> levied a graduated tax running from 1d. in the £, on real estate whose land value exceeded £200, up to 6d. in the £ on estates the land value of which exceeded £10,000. They also levy an Undeveloped Land Tax of 2d. in the £ on "Any land upon which there are not improvements equal to one-fourth of the value of the land." And, finally, the State Income Tax includes as "profits" any increase in the price for which land is sold over and above that price at which it was bought. The graduated Commonwealth Land Tax is over and above all this.

Under these circumstances, there is naturally much land in Queensland still in public ownership. Such land is leased on long terms at reviseable rents, which are supposed to and do represent the full land value. These lessees naturally pay no State Land Taxes because they pay the whole land value as rent.

The 36 cities and towns, with 365,000 inhabitants, have private land value £57 per head; and the 135 shires, with 460,000 inhabitants, have land value £112 per head. If the Rates and Taxes paid by the owners of this land be capitalised and added to these land values, it will be seen that land value is high in Queensland. It is high because no improvements to be put upon the land are liable to taxation at all. Private land values are naturally low.

### South Australia.

Only a small portion of this State is incorporated into Municipal and District Councils. By the District Councils' Act of 1914, the Valuation, made locally, and open to the Public, is of "Annual Value." But the Annual Value may be *either* "full rental value" *or* five per cent. of the Capital Value, and in the case of unimproved land *must* be taken as five per cent. of the land value.\* The rate struck must not exceed 2/- in the £ on the Annual (that is, 1·2d. in the £ on Capital) Value. The occupier pays the rates with no right of recovery from the owner. Recently,

\* This check on Annual Value is also found in New Zealand and New South Wales.

in December, 1926, the Labour Government amended this Act, and have given to the District Councils the same option of rating upon Land Values, after a poll of the ratepayers, as is possessed by the Municipalities.

The Municipal Corporations Act of 1923 gives an option to the Council and the ratepayers. They may levy on Annual Value—the same sort of “Annual Value” as in the Districts—or, if the Council so decides, and after a poll of the ratepayers, upon Land Values. The ratepayers vote “For” or “Against” “taxing Land Values only,” and if the poll be carried, all Rates, special and general, are to be based upon Land Values until a reverse poll is carried. At the reverse poll only owners vote; yet only two reverse polls have been held, and in both cases Land Value rating was retained: the chief difficulty is not the poll, but the favourable decision of the Council to hold the poll.\*

There are varying limits set to the amount in the £ that can be levied—up to 15d. in towns, and up to 5½d. in Districts. It appears that, if Annual Value is retained, the occupier is liable for the rates; if Land Value is adopted, the owner pays, but he has the right to recover from the occupier if he is entitled to do so by his contract. The Valuation of Annual Value is made locally, but the Valuation of Land Values is supplied on a small payment by the State Commissioner of Taxes before the poll is taken, for there is a State Land Tax of ¼d. in the £.

There are 154 District Councils and 37 Municipalities, and of the latter, sixteen have already gone “land values,” but not the capital city of Adelaide.

### Tasmania.

This State consists of Hobart, Launceston, and 47 Country “Municipalities.” All rate solely upon Annual Value, without the option; but all have the advantage of having Annual Value, Capital Value, and Land Value set down against each property in the Valuation Roll. The Land Value per head is £78 in the towns and £118 in the Country.

### Western Australia.

In order to complete the kaleidoscope, Western Australia reverses the obvious. The whole State is divided into 21 Municipalities and 123 Road Districts. Road Districts have an option; the Municipalities have none. A curious result of this difference is that several Municipalities have relinquished their Municipal Charters and been converted into Road Districts in order to exercise the option of voting Land Values.

By the Road District Act of 1919 (as amended in 1923), rating is on Land Value, or, at the option of the Council, and with the

\* Before a poll of ratepayers in any locality can be taken, one month's notice must be given by advertisement in the “Gazette” and two newspapers circulating in the District, and by a printed placard posted outside the Town Clerk's Office. Furthermore, a tentative assessment must be prepared showing the amount of rates paid by each citizen at the time of taking the poll, and also the amount each would be called upon to pay if land values assessment were in operation. This assessment must be available for public inspection 21 days before the taking of the poll. Should the citizens decide to adopt the principle of land values rating, the Council must petition the Governor-in-Council, asking that the town be proclaimed under the Land Value Assessment principle.

Governor's consent, on Annual Value.\* But the Annual Value of a property must not be less than four per cent. of the Capital Value of improved property, or less than five per cent. of the Land Value of unimproved property. This makes it really a "Capital Value" alternative; but railways and public utilities are rated on Annual Value. The valuations are generally supplied by the Land Valuation Department, and are open to the public. The General Rate must not exceed 3d. in the £ on land value, but loan rates are extra, and may be specialised on selected localities which benefit from a loan. All Road Districts rate on Land Value.

By the Municipal Corporations Act of 1906 (as amended in 1919) rates are levied on an Annual Value, which again is, in effect, a Capital Value. The Annual Value of improved property is to be not less than four per cent. of the Capital Value; and the Annual Value of unimproved property not less than  $7\frac{1}{2}$  per cent. of the Land Value. All machinery is specifically exempt, and public utilities pay from  $1\frac{1}{2}$  to 3 per cent. of their gross earnings. The General Rate limit is  $\frac{2}{6}$  in the £, i.e., 1½d. in the £ on the Capital Value. The occupier is liable for the rates, but in this case it is he who can recover from the owner.

There is also a State Land Tax, without any exemptions, of 2d. in the £. The 195,000 inhabitants of the Road Districts represent a Land Value of £95 per head.

#### **The Commonwealth.**

By the Rates Ordinance of 1926 all rates in the Commonwealth Territory of Canberra are to be levied solely upon Land Value and to be paid by the owner without right of recovery from the occupier. Here, as generally elsewhere throughout Australia, if the rates are not paid, after from three to five years, the land may be leased by the Authority; after from three to 10 years, it may be sold with an option of recovery; after a further period the land reverts to or becomes vested in the Authority.

#### **UNION OF SOUTH AFRICA.**

While the Transvaal and the Orange Free State were governed by Lord Milner, the Local Authorities Rating Ordinance of 1903 was enacted; thenceforth, throughout the Transvaal and Orange Free State the valuation roll of private property in all townships stated Land Value and Improvement Value separately. This commencement must be put down to Lord Milner's personal wish, inspired by his friend Theodore Lewellyn Davies at the British Treasury. Rates were to be levied on Capital Value—land and improvements together. It was not till 1916 that Local Authorities in the Transvaal were given the power to levy lower rates upon improvements than upon land. Johannesburg, in 1917, followed by all the other Rand townships and then by Pretoria last year, removed all rates from improvements and concentrated upon Land Value. The minor towns still levy some small rate upon

\* Previous to 1919 the option was the other way on, but by 1919 all Road Districts had opted for Land Value, which was then therefore made compulsory.

improvements. Ermelo, for instance, has 1d. on improvements and 4d. on Land Value. In Johannesburg it is 6½d.—and in Pretoria, 10d. in the £—on Land Value alone.

The Cape Province followed in 1912 with a Municipal Ordinance which required Land and Improvements to be stated separately in the Valuation, though rates were to be levied on the Capital Value of the combined totals. In 1918 they again followed the Transvaal in allowing the Town Councils to charge Rates wholly or partly on a land value basis, but any change must be initiated by the Council and also approved by a poll of the rate-payers. With the exception of East London, where, as the result of three contested polls, all rates—2s. in the £—were put on to Land Values in 1926, the Cape Province has continued since 1912 to rate only upon Capital Value. Cape Town levies 4'6d. in the £. Port Elizabeth, 4½d.

Only in the Cape Province do rural Local Authorities exist; they are called Divisional Councils. Their revenues are raised by a tax of 1½d. in the £ upon a strange hybrid Land Value—1d. in the £ going to the Divisional Council and ½d. to the Provincial revenue. The Valuation has three columns, showing Land Value, improvements and beneficial improvements. Land Value and improvements (*i.e.*, dwelling houses) are taxed on Capital Value; but beneficial improvements—meaning improvements made by the farmers in the way of fertilisers, farm buildings, fences, silo, drainage—are exempt. Thirty millions out of ninety millions are so exempted. Nowhere in South Africa are rates levied upon Annual Value as in England.

Natal followed the Transvaal model, and Durban, by the decision of the City Council levies 6d. on land and 3d. on improvements. The O.F.S. followed the Cape model by Ordinance 12 of 1920, and polls have recently unrated improvements altogether at Petrus Steyn, while at Kroonstad, they have imposed 8d. on Land Value and 1d. on improvements; many of the towns raise less from improvements than from land. Bloemfontein is still on the whole Capital Value, 4½d. in the £.

The Cape Province has a Director of Valuations, and the roll is supplied to the Local Authorities. In the other Provinces the Valuations are made locally. I made the first Valuation for Ermelo in 1903; it was published in the local paper which I owned, and a few complaints were made, fruitlessly, that I had undervalued properties. It should be noted that, when a Valuation is public, owners, all contemplating sale or mortgage, like to see their property stand high.

Taking the towns all over South Africa, land value works out at only £42 per head of population. This is low, and is accounted for partly because the total town population is 33 per cent. native, and partly because most South African towns are surrounded by thousands of acres of Town Lands, used for common grazing, etc. Such lands are never valued nor rated. In Durban, where there are no Town Lands, Land Value is £80 per head; in Ermelo, where they are immense, private Land Value is shown only £27 per head.



### **Southern Rhodesia.**

By the Municipal Law of 1914, the Town Councils are given power to levy rates on Capital Value, or on Land Value, or to partially exempt improvements. The Valuation, which has to be revised every five years, shows land and improvements in parallel columns, and is made by the State. Polls are not provided for, but every Municipality in Southern Rhodesia has relieved improvements to some extent. Salisbury, Bulawayo, Umtali and Gwelo, all raise 4d. on Land Value and from  $\frac{1}{2}$ d. to  $1\frac{1}{4}$ d. on improvements.

Rural Local Authorities, called Road Councils, exist in Rhodesia, and by the Road Councils Ordinance of 1921, they are given the power to rate, only upon Capital Value, up to  $1\frac{1}{2}$ d. in the £. A separate valuation of land and improvements is not provided for in the Ordinance.

### **Northern Rhodesia.**

In this Crown Colony, the capital, Livingstone, is governed under the Village Management Proclamation of 1911. The administrator may "make" "alter" or "annul" rates. But he is guided thus—"he may require reasonable payment from those inhabitants of the area who may enjoy more largely than others any privilege or right therein"—a beautiful definition of Land Value Rating.

### **DOMINION OF CANADA.**

Marked features of Canadian Local Government are (1) the influence of the United States upon the methods of control and taxation, and (2) the influence of old English upon the nomenclature. We find property assessed on Capital Value as in the United States, often including personal property; the same under-assessment of real estate by local assessors; the same treatment of the questions of police and education. Canada, a newer country more anxious to develop, gives rather more exemption from taxation to improvements; but generally, as in England and the United States, the local authorities "strike a rate."

Or again, the Chairman of the Village Council is the Reeve; hamlets abound; shires and parishes make familiar Ontario and Quebec. But throughout the West our word "County" becomes, for local government, a "Rural Municipality."

From 1906 till recently, the Prairie Provinces based their local taxation upon Land Value with a thoroughness worthy of Australia; but since the farmers have become all powerful, while leaving farm buildings and improvements untaxed, they have managed to include in rateable value a large amount of the the improvements made on other people's property. Property owners were made nervous by the great fall in land values that followed the first imposition of Land Value rating.

### **Nova Scotia, New Brunswick, Prince Edward Islands.**

The Seaboard Provinces follow the American model, and levy all local taxation upon the, alleged, full Capital Value of land, improvements, and personal property.

### **Quebec.**

The French Province is divided into cities, towns and 74 county municipalities, together with four non-self-governing territories. The county municipalities are divided up again into local municipalities.

Under the Cities and Towns Act of 1923—a gigantic Act of 697 clauses—the assessors are to set down both Capital Value (including machinery) and Annual Value of all real estate. The Councils do not, however, strike a rate, but levy local taxes. They may tax owners up to 2 per cent. of the Capital Value of their property (or up to 1 per cent. only, in the case of land under cultivation); also they can levy poll taxes, taxes on stock-in-trade, taxes on trades, on banks, manufactures, professions, etc. A further possible tax is based upon Annual Value; they can levy up to 8 per cent. of this Annual Value upon all tenants. All towns are divided into Wards.

One may say that Quebec methods are an exact cross between Paris and New York.

### **Ontario.**

There is a Provincial Land Tax Act of 1924, which levies a tax of 2 per cent. on the Capital Value of land and improvements (except machinery) throughout the Province. The organised areas are governed by the Consolidated Municipalities Act of 1922. Rates are levied on Capital Value (land and improvements), but the Councils are, or perhaps were, empowered to reduce the rate upon improvements should they desire to do so. Except in the neighbourhood of Niagara, little has been done to exempt improvements.

By one clause in this Act, the compensation payable to owners whose land is taken for public improvements is reduced by the estimated benefit accruing to the owner from the improvement.

### **Manitoba.**

All Rural Districts (called Municipalities) rate on Land Value alone; and there is a curious provision whereby a man can commute his rates by performing Statute Labour on communal works. Otherwise the land is sold if the rate is not paid by a certain time.

Under the Assessment Act of 1924, towns and cities rate on the full value of land, plus two-thirds of the Capital Value of improvements, and also on personal property. The Capital Value of personal property is very difficult to estimate, and leads to infinite evasion and injustice.

### **Saskatchewan.**

This Province has 80 Townships, 367 Villages, 301 Rural "Municipalities," and many centrally-governed Improvement Districts. Since 1914 the Rural Municipalities rate on Land Value; but they add 60 per cent. of the Capital value of such buildings as are not connected with farms and lie in the hamlets, as well as a floor-space tax on businesses. The normal rate may

not exceed 1 per cent. (*i.e.*, 2.4d. in the £), apart from any additions required to pay interest on loans. School rates are also extra, and are levied on Land Value alone, but they may not exceed 2 per cent.

In the centrally-governed "Improvement Districts," local revenues are raised by a flat rate tax *per acre* on all land.

All cities and towns can tax on Land Value, and on improvements up to 60 per cent. of their value, and on businesses, on income, and on special franchises. Generally they cut down the improvement rate below 60 per cent. Prince Albert rates improvements at 45 per cent. only, Saskatoon at 35 per cent., and Regina, the capital, at 30 per cent.

Villages can tax on land, on improvements, on businesses and on incomes—all at the option of the Councils.

Such public services as Rural Telephones, Hospitals and Municipal Insurances are paid for by special Land Value taxes upon the owners in special areas who benefit by the services.

The Wild Lands Tax is 1 per cent., and there is also a Provincial Land Tax based on the Capital Value of land and improvements, both being for provincial services.

### Alberta.

Alberta is divided into Towns, Villages, Rural Municipal Districts, and centrally-administered Improvement Districts. Revenue for Improvement Districts is raised by a rate of not more than 5 per cent. on Land Value; as in Saskatchewan, farm buildings and improvements are exempt, but not other buildings in hamlets.

By the Municipal Districts Act, Rural Municipalities raise their rates as in the Improvement Districts, but without any limit; and they also have an optional business tax of from \$2.50 to \$10 *per square foot* of floor space.

The Towns Act of 1911 and the Villages Act of 1913 levied rates on Land Values only. But, by a poll of the ratepayers in the case of villages, or by a vote of the Council in the case of towns, improvements might also be rated in whole or part. These Acts were altered this year (1927), and now all improvements are valued and rated uniformly at two-thirds of their full value; they have also added an optional levy on personal property.

In every case the valuation is made locally, except in the case of the Improvement Districts; and the valuations are always open to the public.

All these Prairie Provinces levy something in the nature of a Provincial Wild Lands Tax (generally from  $\frac{1}{4}$  per cent. to 2 per cent. of the Land Value), upon those non-resident owners whose land is not improved up to some easy standard. Last year these Wild Land Taxes brought in—Alberta \$370,000, Manitoba \$40,000, Saskatchewan \$604,000. Education is managed locally in Education Districts which are not coterminous with the Rural

**Municipalities**, and they either levy rates of their own upon Land Value, or else issue precepts upon the Municipalities. Much of the police work is locally managed and paid for.

#### **British Columbia.**

Since 1914 all Local Authorities—Cities, Towns, Villages and Rural Districts—rate land at its full value and improvements at 50 per cent. or less, at the option of the Council. Of the 63 "Municipalities," 25 rate improvements at their full 50 per cent. (half value), 16 rate improvements at less than 50 per cent., and 22 exempt improvements altogether, and rate entirely upon Land Value. Vancouver is at 50 per cent. (since 1919); Victoria at 33 per cent., and New Westminster entirely on Land Value.

The Wild Lands Tax is here 5 per cent.

#### **NEWFOUNDLAND.**

By Act XIII. of 1921 Newfoundland levies local taxation upon Annual Value, only differing from England in that unoccupied houses have to pay on one third of their full value. But there are also special taxes upon Ground Rents, and upon unoccupied building land, and upon businesses. St. Johns is divided into Wards, and men and women over 21 have the vote. Special clauses in the Act provide that "the cost of improvements (roads, etc.) shall be assessed upon the lands directly benefiting therefrom, according to the frontage thereof upon the streets so opened or improved or adjoining thereto (Clause 75)." The same principle is applied to Sewage and Water mains. And, again, half the cost of street widenings or street pavings is to be borne by the frontage owners.

#### **THE UNITED STATES OF AMERICA.**

Before we pass from the free Dominions it may be well to look at what they do in America. The United States leave all such matters to the State Legislatures, as in Canada. Generally, the State Legislatures direct that all local taxation shall be met by Rates upon the Capital Value of real estate, both in town and country. But they often levy the Rate also upon Personal Property in the house or store—a very difficult matter to assess.

The Valuations of real estate are made locally, subject to a State Board of Equalisation. Some States separate Land and Improvements in their published valuations, some do not; but all separate the two values in their Field Books. The Municipalities all control and pay for Police and Education; and the rate struck in New York is 2.87 per cent., the equivalent of about 1s. in the £ on Land Values.

There are certain noticeable exceptions. In New York houses built after the war were exempted from taxation (that is to say, the tax is upon the Land Value alone) for a certain period of years, so as to encourage house building and get over the special shortage. In the State of Pennsylvania a special law allows the exemption of half of all buildings and improvements from the valuation, so that land is taxed at twice the rate on improve-

ments. This applies only to Scranton and Pittsburg, and is known as "the Pittsburg plan." In North Dakota, bordering on Canada, under laws passed in 1917 and 1919, land is assessed at its full value, while personal property, farm buildings and city houses are assessed at one half. Under the law of 1916 the State of Maryland gave to all towns the right to levy local taxation as they think fit, and a number of small towns have partially exempted improvements from taxation. The town of Capital Heights has exempted all improvements and taxes Land Values only.

The radical demand in America is for "Home Rule in Taxation," but Maryland is so far the only State which permits of such a thing.

### **CROWN COLONIES.**

For the systems adopted in the various Crown Colonies the Colonial Office must be held responsible, but evidently, local officials with varying views have been given a free hand. The stage of civilisation and self-government which the different colonies have reached does not seem to have had much influence on the widely-differing results.

Kingston, the capital of **Jamaica**, by Ordinance No. 3 of 1923, rates on Annual Value. The town is divided into Wards; there is one Common Roll of electors, whatever their colour, and women have votes at 25.

The **Bermuda** capital, by Ordinance No. 33 of 1923, rates on Annual Value, and here the Municipality pays for and controls the police.

**Trinidad**, too, by Cap. 224 of 1914, rates on Annual Value. The town is not divided into Wards, and again, there is a Common and not a Communal Roll of electors, whatever their community or colour. In none of these cases is there any exemption of machinery from rates.

**British Guiana**, by Ordinance 44 of 1918, rates on Capital Value. There is a Common Roll of electors—men only, who can read and write English. The Colony is unique in that aliens also have the Municipal franchise.

**Mauritius** also rates on Capital Value, with a limit of 1 per cent. of such value. This racially-mixed community also has a Common Roll, but the Capital is divided into Wards. Males of 21 have the vote.

The **Seychelles**, by the Taxes Ordinance of 1907, gets the best of both worlds. There is a rate up to  $\frac{1}{2}$  per cent. (*i.e.*, 1·2d. in the £) on Capital Value, paid by the owner. (This becomes Rupees ·3 *per* acre in the unvalued country parts). And there is an Annual Value Tax, not to exceed 4 per cent. of the rent paid, levied upon Town tenants.

**Sarawak**, by the Municipal Ordinance of 1921, prefers Annual Values, but specifies the exemption of churches.

**St. Helena**, Ord. 6 of 1906, is on Annual Value; but there is a Continental touch in the considerable revenue derived from animals and vehicles.

Suva in **Fiji** is thoroughly Australian. The Municipal Institutions Ordinance No. 4 of 1909, as amended in 1924 (on the request of the Council) levies all on the Unimproved Value of Land. The General Rate is not to exceed 5d. in the £, special rates not to exceed 7d. There is no communal electorate, and all males over 21 who can read, write and speak English have the vote.

**Tonga**, on the other hand, by Ord. No. 3 of 1923, confines itself to a straight Poll Tax of 4s. per head for Municipal purposes.

**Hongkong**, by Ord. No. 6 of 1901, rates on Annual Values with a good many extras. Only 13 per cent. of the Annual Value can be taken for the Municipality.

**Singapore**, by Ord. 135 of 1913, as amended up to 1925, has local taxes on cars, carts, bicycles, mules, dogs, etc., and can levy a rate up to 25 per cent. on Annual Value. But here are two improvements—all machinery is exempt, and the Annual Value of unbuilt-on land is held to be 5 per cent. of its full selling value. The Ordinance also specifies that no compensation is to be paid for land taken to make new roads.

In the towns of **Ceylon** there is a Common Roll of electors (male). They rate on Annual Value, with a pleasing variety of additions on animals, professions, and tolls on passengers and produce. The influence of India is obvious.

Both Singapore and Colombo need Land Value rating badly, as they are growing rapidly, and slums and suburban land values are excessive.

**Irak** raises the money to manage Bagdad and Basra by rates on Annual Value, not to exceed 10 per cent. thereof.

**Palestine**, by Ordinance 19 of 1924 and 45 of 1926, rates at present on Annual Value; but when the urban Wergo Tax is re-assessed, that and the rates will presumably go on to Capital Value. The Wergo Tax is a tax on the Capital Value of real estate as determined in a prehistoric valuation, and brought up-to-date only when the real estate changes hands by sale. It is to be found in most ex-Turkish countries.

**Cyprus**, by Ord. 6 of 1882, as amended in 1885, levies on Annual Value; the Valuation is public. The franchise is purely Communal, Christian and Moslem, and, in contrast to Palestine, all males over 21 have the vote, if British or Ottoman subjects.

**Malta** and **Gibraltar** seem to have no Municipal Ordinances or Acts. Presumably the administration is entirely centralised.

Turning to Africa, Freetown Municipality in **Sierra Leone** rates on Annual Value by Cap. 80 of 1924.

The **Gold Coast** in the same year, passed the Municipal Corporations Ordinance, which exempts land altogether. Only premises are rated and on Annual Value up to a limit of 20 per cent. Empty houses are exempted as well as unused land. Further peculiar features are an option given to the Councils to levy a graduated surcharge (up to 100 per cent. additional) on better

built and more expensive premises; also the owner and the occupier are each to pay half the rate. Finally, as a premium one would think on corruption, the Mayor and two Councillors are to act as valuers.

**Nigeria** is at the other end of the scale. By the Assessment Ordinance of 1915, as amended in 1918, the Governor is to direct in each town whether Capital or Annual Value is to be taken for assessment. Machinery is specifically exempted. By the Townships Ordinance of 1917 the rate is not to exceed two-thirds per cent. if on Capital, nor 10 per cent. if on Annual Value. Nigeria alone of the Crown Colonies has a rudimentary local government outside the towns in the Northern Province. The native chief takes a percentage of the Land Value Tax paid to the State, and, by the advice of the Resident, spends it on public works.

**Northern Rhodesia**, as already related, rates on the unimproved value of land in Livingstone.

**Nyassaland**, according to the Waterworks Ordinance of 1926, rates on the Capital Value of all buildings; The occupier pays, and unbuilt-on land apparently escapes altogether. But this is at present only a Water Rate.

**Zanzibar**, by Ordinance 7 of 1924, rates on Annual Value.

**Tanganyika**, with a perfectly sound Land Ordinance of 1923, whereby all land is held of the State, with security of tenure at revisable Land Value rents, has also a House Tax Ordinance of 1922, which levies local rates on Annual Value and exempts unbuilt-on land altogether.

**Kenya**, by the Nairobi (Rating of Unimproved Site Values) Ordinances of 1921, 1922 and 1924, rates on Land Value (as a result of a request of the Council to the Colonial Office). The Rate is a first charge on the land, and is a liability of the owner alone. There is a limit of 2 per cent., but expenditure of local benefit may be charged additionally on the area benefiting. The Rate Book is open to the public for 14 days, and the value of improvements, if any, is not stated therein.

**Uganda**, by Cap. 49 of 1924, rates on Annual Value; but land used for agriculture is to be assessed at only one-quarter of its annual Value, since the native chiefs and landowners are very powerful in Uganda.

**Somaliiland** also has a Townships Ordinance of 1911. Municipal Councillors are appointed to value and rate up to 10 per cent. of the Gross Annual Value. Here machinery, of which there cannot be much, is exempt; and here also, empty houses are made to pay. The owners pay all rates.

**The Sudan** is modelled on Egypt, and Khartoum levies for local purposes a multitude of tolls and taxes, including a house tax.

In this pamphlet, I am merely recording the various methods employed in the British Empire to raise the necessary revenue

for local government. It is no part of the task I have set myself to argue for one method or another, but merely to point out the infinite variety that exists to-day. Just at this moment the Commission of Enquiry set up by Sir Edward Grigg, known as the Feetham Commission, has reported on precisely this subject in connection with local government in Kenya. Generally speaking, Mr. Justice Feetham has recommended the Transvaal system of levying local taxes—the option lying with the Municipal Council as to how much should be levied upon land and how much upon improvements. It would be well if this careful and elaborate Report should be taken by the Colonial Office as a model for the Crown Colonies generally. Such an enquiry has long been needed, and full advantage should be taken of it to bring other places up-to-date. To such a Report this pamphlet will, I hope, constitute a useful companion.

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## **THE POLICY OF THE BRITISH LABOUR PARTY ON LOCAL TAXATION.**

### **From the Resolutions passed by the Labour Party Conference at Liverpool in 1925.**

“This Conference believes that the right solution of the Land Problem remains the very foundation of Labour’s work. Land Values should be subject to taxation, in order to reduce the cost of land and minerals in the interests of trade and employment.

“With this object, it is proposed that an effective Land Valuation Department be re-established forthwith, and a National Land Valuation put in hand. This Valuation should be public, and should include all land and minerals. It should show:—

- “ (1) The Unimproved, or site, Value, and
- “ (2) The Improved Value of land.

“The Valuation should be kept up-to-date, and all land should be revalued at least once every five years.”

“The present Rating system penalises all improvements, and falls with crushing weight upon the poorest localities. This Conference, therefore, demands that Local Authorities shall be given power to levy a local flat Rate, the amount of which they should be free to determine for themselves, on all Land Values within their area.”

“The Land Value Taxation should be regarded primarily as a means of:—

- “ (1) Collecting the economic rent for the community.
- “ (2) Deflating Land Values, and so cheapening land.
- “ (3) Promoting the most profitable use of land; and
- “ (4) Facilitating the acquisition of land by Public Authorities.”



## Leaders' Views.

1. "It is from the land that Labour derives all the primary raw materials. It is the soil which the agriculturist needs, it contains the ores and the minerals of all our vast mining, quarrying, smelting trades; upon it must be built our factories, our warehouses, our houses. If it were closed against us, every industry in the country would be paralysed and we should die.

"Rent is a toll, not a payment for service. By rent, social values are transferred from social pools into private pockets, and it becomes the means of vast economic exploitation. Of this injustice Urban Land Values are conspicuous examples; and the practice of holding up land unpenalised by Rates, and of valuing for rating purposes far below purchase price, is evidence not only of the political power exercised by landowners, but of the survival to this day of privileges to shirk public responsibilities claimed by them when they had the power, and continued by use and wont.

Rent is obviously a common resource. Differences in fertility and value of site must be equalised by rent, but it ought to go to common funds and be spent in the common interest."

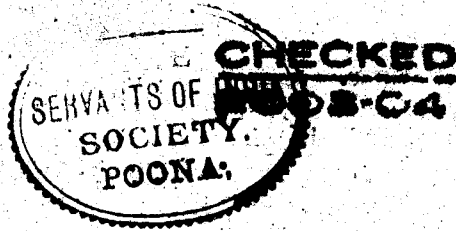
Rt. Hon. J. Ramsay Macdonald in *The Socialist Review*.

- 2. (a) "With land free and men willing to work, can anyone set a limit to the extent of the wealth that might be enjoyed by all? Nature is bountiful—not niggardly—her reservoirs are full with the things that satisfy men's wants. Indeed, it is from the earth that we get all things; but so long as man is denied access to the source from whence wealth comes, starvation and unemployment will remain."

(b) "The Taxation of Land Values with, of course, the exemption of improvements, does not receive my support merely as a plan for raising additional revenue. It is designed to achieve far greater results. It seeks to open the way to the natural sources from which all wealth springs. The labour is here, and with it the will to work, but the land still lies locked in the grip of a tenacious and unrelenting monopoly, while unemployment and poverty haunt us with a terrifying persistence. Is it to be wondered that the working classes of this country almost despair of better times? . . . Is labour never to achieve free access to Nature's bounteous storehouse? . . . These are the questions that must be answered before we can proceed in the direction of building up a society based upon universal brotherhood, and no answer will satisfy the moral sense of the people that does not contain an admission of the right of a community to throw open the land and to take for the community the economic values created by the community. With a society thus firmly established upon the basis of economic justice, the spiritual and intellectual ideals without which a nation cannot live will have greater freedom of development."

Rt. Hon. Arthur Henderson

(Secretary of the Labour Party), Oxford, August, 1923



## Further Publications on the Same Subject.

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**Taxation and Rating of Land Values.** Rt. Hon. JOSIAH C. WEDGWOOD, D.S.O., M.P. 1d. (4/6 per 100, carriage paid).

**Trade Depression and Unemployment.** Sir EDGAR HARPER, F.S.I., F.S.S. 1d.

**Land Value Taxation in Practice.** New South Wales and Sydney. 1d.

**The Crime of Poverty.** HENRY GEORGE. 1d.

**Thou shalt not Steal.** HENRY GEORGE. 1d.

**Methods of Land Nationalisation.** FREDK. VERINDER. 2d.

**House Famine and the Land Blockade.** A. W. MADSEN, B.Sc. 1d.

**Essays and Adventures of a Labour M.P.** Rt. Hon. JOSIAH C. WEDGWOOD, D.S.O., M.P. 3/6.

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*To be obtained from the Office of the*

**ENGLISH LEAGUE FOR TAXATION OF LAND VALUES**

**376, 377, Strand, London, W.C.2.**