

include the effects of such a charge on groups of rate-payers, on particular classes of property, on different localities, on properties of different ages, on dwellings of various kinds and, of course, the effects on owners and occupiers where they are not the same persons. Further information will then be available for publication by means of an interim report.

Whilst the Association's enquiries will be directed towards means of improving the present system, it appears to the Association that land values reflect the availability of public services of all kinds, and it is not unreasonable to expect owners of undeveloped land to make some contribution towards the cost of such services.

Site-value assessments could be used as the means of collecting annually, for the benefit of local authorities, a sum based on betterment arising from planning uses which are permitted within the terms of the area development plan. The Association submits that an extension to the present rating system to include a contribution to local rate-borne expenditure from owners of undeveloped land would be desirable.

PROGRESS IN THE CARIBBEAN

(Extract from *The Valuer*, Sydney, October 1964)

THE WORK of Mr. J. M. Copes in directing, as

Commissioner of Valuations, Jamaica, a changeover there from land taxation and rating based on capital values to site-value rating has long been of interest overseas.

First considered by the Government of Jamaica in 1956 and on the advice of Dr. J. N. Murray, Chairman of the Commonwealth Board of Valuers, who clarified the major issues and formulated the working basis of the system, the project was begun a year later under the auspices of the United Nations Technical Assistance Administration.

Although today the work of re-valuing the whole island has not been entirely completed, Mr. Copes in a recent letter said that the Jamaican Valuation Department is now fully capable of handling its own problems so that his work there has virtually finished. Moreover, he added, after two elections it appears that the system has gained political acceptance on both sides of the Jamaican House of Assembly.

Some two years ago on his appointment as United Nations Adviser on Rating and Land Valuation in the Caribbean Area, Mr. Copes changed his headquarters from Kingston, Jamaica, to Port of Spain, Trinidad, and last year completed a comprehensive report to the Government of Trinidad and Tobago entitled "Valuation, Land Taxation and Rating."

More recently he visited Barbados, an island of only 166 square miles with a resident population of 246,000, the most densely populated island in the Caribbean with an economy dependent mainly on sugar and tourism. Property taxation there still follows the British system based on "annual values."

To appreciate the difficulties sometimes met in some of

the so-called "emerging" countries of introducing improved administrative methods such as site-value rating, Barbados at present has no survey department nor cadastral maps and no trained valuation staff. Following this visit Mr. Copes has prepared a second report on rating and valuation for the Government of Barbados.

"NON PROFIT" MIRAGE

"UNDER THE HOUSING ACT 1964 the Government is setting up a new central body — the Housing Corporation — to help people who need a house or a flat but who do not wish, or are not in a position, to rent or buy in the ordinary way, and yet cannot expect help from local authorities." These words introduce a small, informative booklet about the Housing Corporation, its role, its scope and its intentions.

The setting up of this Housing Corporation is unaffected by the change of government.

The main duties of the Corporation will be:

(a) to organise cost-rent housing societies and co-ownership schemes, to promote and guide their development and to give the movement wide publicity;

(b) to help the societies in every way, including buying land for them where necessary and giving architectural and other advice; and

(c) to join with the building societies and other financial institutions in providing finance for housing society schemes.

It is envisaged that rents on three-yearly tenancies of homes built under this system will be fixed to cover capital cost and maintenance outgoings. Estimated rents range from £4 to £7 a week, excluding rates, and will depend on building costs at the time of construction and the cost of sites.

What are the advantages of such a system? Advantages to home searchers are these:

In the first place less than the normal deposit for house purchase will be required (probably about £150) because the building societies will accept a joint-risk on all the potential lessees.

In the second place repayments will be low because the period of loan will be extended to forty years for homes constructed under this procedure.

In the third place purchasers under this scheme will enjoy security of tenure for at least the life of the building.

All this must sound attractive, particularly to the young professionals who at present find home purchase a great burden on limited resources in their early working lives. A quick glance at the economic balance, however, throws forward some of the unseen factors. Since the building societies will generally provide two-thirds of the finance they must be quite happy with an arrangement that will provide them with steady interest returns over forty years. Land owners will certainly have nothing to complain about since transactions in land will be at market rates. The individual repayments will cover the costs of the double mortgage (one-third of the mortgage will be financed from government funds at one-quarter per cent

above the building society rate) and will include a small maintenance expenditure.

While the merits of such a system may appear superficially attractive it must not be forgotten that the full, and in many cases very high, costs will have to be met. Clearly there will be a certain margin of land prices within which the housing associations will be able to operate. Competition for this category of land will indubitably increase and prices can be expected to rise. It has to be constantly pointed out that cheaper loans plus longer repayment periods will in no way ameliorate the worst aspects of the present housing markets. The need is for more, cheaper homes.

The most puzzling and perhaps most misleading statement in the booklet is that which speaks of providing housing at "cost rents." "A cost-rent society will provide housing at cost—without profit or subsidy. . . . He (the tenant) will be charged only enough to cover the society's out-goings. . . ." Since he will also be paying for repairs, maintenance and insurance in addition to market rates of interest to a building society plus an additional quarter per cent for the second (Housing Corporation) mortgage, one wonders where the "non-profit" idea comes in. Since profits consist of a recovery of overheads plus the current payments for wages, interest and land, it is nonsense to speak of this scheme as a non-profit one, for all these claims will have to be met as in ordinary private enterprise.

The housing societies will provide no immediate solace except to the owners of land and the building societies.

SITE-VALUE RATING VICTORY

A REFERENDUM POLL conducted in South Melbourne on November 7, resulted in a resounding victory for the adoption of site-value rating.

South Melbourne covers an area of 2,203 acres and has a population of 32,700.

The result was as follows:

For site-value rating	...	10,949	(62.7%)
Against	..	6,506	(37.3%)
Majority	...	4,443	

— Report from E. F. Halkyard, Australia.

Challenge Still Open

I AM SURE of this, when you take such a question as the Taxation of Land Values, that the party which first masters that question, which first makes it its own, which can show that it is really capable of dealing with it, and is really prepared to deal with it, and is not going to let itself be hampered by vested interests for exercising its intelligence upon it freely—that party will have a great and solid ground upon which to appeal to the country. — Sir Edward Grey at Leeds, 1899.

The Secretary Interviewed

THE UNITED COMMITTEE'S Election Manifesto (reproduced in the September/October issue of LAND & LIBERTY) was given some notice by *The Guardian*, the *Financial Times* and the *Daily Telegraph*. One of the most interesting by-products of this manifesto, however, came by way of the curiosity of a Birmingham journalist, Anthony Hancox. Mr. Hancox, who writes for the *Sunday Mercury*, was sufficiently intrigued to come to London to interview the United Committee's Secretary, Mr. V. H. Blundell. As a result of his visit Mr. Hancox wrote a full-page article which appeared in his paper.

Describing Mr. Blundell's role, the writer told his readers not to be put off by the word "taxation" in the United Committee's title. "If we paid our taxes in this way, says a growing army of supporters, there would be enormous advantages." Mr. Hancox accompanied the Secretary on a short walk along Vauxhall Bridge Road where Mr. Blundell used the comparison between a new five-storey office block, a tiny one-storey house and a vacant blitzed site (all of approximately equal area) to illustrate the anomalies of the present rating system.

The article presented categorically the fundamental facts of land ownership, the results of the private appropriation of community created land value and the advantages of land-value taxation. Attention was drawn to the significance of the Whitstable Pilot Survey for site-value rating and the examples of land based taxes operating in Denmark, Canada, Australia, New Zealand and South Africa. Again quoting Mr. Blundell, Mr. Hancox wrote: "Here is the town clerk of Sydney, Australia, saying that land-value tax instead of rates on buildings has brought about a great transformation in his city — big expansions in residential, apartment and industrial building."

The article contained many examples of high prices being paid for land in the Midlands and referred to speculative transactions in land made recently. Emphasis was also given to the land factor cost in new homes and the regressive effects of the present property tax. In conclusion Mr. Hancox made a brief summary of the United Committee's views on the current land policies of the political parties: "Only one political party manifesto looks attractive to the United Committee — the Liberal Manifesto which commits the Party to introduce site-value rating."

There is little doubt that, as the article pointed out, interest and support for the United Committee's cause has gone up by leaps and bounds since the publication of the Whitstable Report. The *Sunday Mercury*, with Mr. Blundell's interview, has certainly added to the interest.

P. R. H.