

PARLIAMENTARY DEBATES

ACQUISITION OF LAND (ASSESSMENT OF COMPENSATION) BILL

Report Stage

Wednesday, June 25th.

Clause 1.

(1) Where by or under any Statute (whether passed before or after the passing of this Act) land is authorised to be acquired compulsorily by any Government Department or any local or public authority, any question of disputed compensation shall be referred to and determined by the arbitration of such one of a panel of official valuers to be appointed under this Section as may be selected in accordance with Rules made by the Reference Committee under this Section.

Sir D. MACLEAN (Ind. Lib.*): I beg to move, in Sub-Section (1), to leave out the words "be referred to and determined by the arbitration," and to insert instead thereof the words,

"at the request of either the claimant or the public authority be assessed by the Commissioners of Inland Revenue, and such assessment shall be final unless either party shall within sixty days of the issue to such party of the notice of assessment require the Commissioners to refer all or any of the items of such assessment to the determination."

The question is as to the necessity of a new Public Department, and here a new Department is contemplated. Under the Financial Resolution, which has already been before the House, an expenditure of at least £24,000 a year is contemplated in connection with the valuers and their staff. We all know that that means the small beginnings of a great expenditure which will undoubtedly grow into a large important, extensive, and, as I think, an unnecessary public Department.

What is the existing machinery which we think can be adapted to this purpose connected with the Commissioners of Inland Revenue? That body has been in existence for a very considerable time. It has been constantly in the habit of valuing land for public purposes passing at death, and, indeed, every kind of property which is taxable by the State. In addition to that general asset which we possess in the Commissioners of Inland Revenue and their officials, there is a special Department which was set up under the Act of 1910, of famous memory. What work has been done by that Department and how far is the work of that Department relevant to the Bill now before the House? I think it is particularly relevant because the whole of the energies of that Department have been devoted to finding out what was the value of land.

Take the totals under the various heads up to 31st March, 1916. The total number of provisional valuations was 7,784,424; the total number of separate hereditaments thereby valued was 10,585,586; the area was 56,144,309 acres; and the total value was £5,267,784,055. That is the general position with regard to the work which has been done. This Department is the very one needed for the special objects of this Bill. What do the Government propose? They propose to give the go by to the Department in any really large sense, and to set up a new body of valuers. We say, take the existing body, and if that fails to give satisfaction, set up a much smaller body which would operate within the ambit of, but be independent of, the Commissioners of Inland Revenue. I respectfully submit that the proposal which we now make embodies a fair scheme. It is efficient, it is economical, and, if it comes reasonably near these descriptions, I suggest the Government will undertake a very grave responsibility if they decline to meet us in any way with regard to this proposal.

Sir G. HEWART (Attorney-General): The Bill as it stands is a Bill to provide particular machinery for the assessment of compensation in cases of dispute as to the proper amount of compensation where land is being acquired by a Government Department or by a local or public authority. It is the aim of the Bill to provide fair machinery and to prevent an unfair

price being paid. The number of valuers contemplated is not more than eight, and those valuers who are to be appointed will be a new Government Department. My right hon. Friend does not get rid of those valuers by his Amendment. What he is proposing is, not that these valuers shall not be appointed, but that they shall be called "referees"; that in the first case every dispute shall go to the Commissioners of Inland Revenue, and then, after an interval, of, at the outside, sixty days, they shall go to the valuers whom we are proposing to set up. Whatever else this Amendment is going to do, therefore, it is not going to get rid of these valuers.

It is not in the least proposed that that work shall be thrown away. The records of the Land Valuation Department will be open for all proper purposes under this Bill. What was it that happened with regard to the Commissioners of Inland Revenue in the Committee? If Members will kindly turn to Clause 8 of the Bill as it stands, they will see that it is there provided that—

"Nothing in this Act shall prevent, if the parties so agree, the reference of any question as to disputed compensation to the Commissioners of Inland Revenue or to an arbitrator agreed upon between the parties."

The Bill as it stands makes appropriate use of the experience and the accumulated materials of the Commissioners of Inland Revenue, and, where the parties are agreed, it provides, without any ambiguity, that they may select those gentlemen to determine the question between them. It is not proposed to appoint an unnecessary number of valuers; it is not proposed to throw away the benefit of the work which the Commissioners of Inland Revenue have done; but what is proposed is that we should have a small body of competent gentlemen who would devote their whole time, not a part of it, to the determination of such disputes as may remain after the provisions of this Bill have come into force.

Sir EDWARD CARSON (C.U.): It seems to me an absurdity that you are to say that in one set of circumstances one tribunal is to ascertain what is the market value, and, in another set of circumstances, you are to ascertain it by a different tribunal. The proper tribunal is the taxing tribunal, and for very obvious reasons. The owner has no right to have a less market value assessed for the purposes of taxation than for the purposes of sale for public purposes. What you really want to get at is the same standard.

You are setting up a new Department. The Attorney-General may pretend to be very innocent in his idea that we are only going to have a few valuers. He says there will only be eight. I have looked through the Bill and I cannot find it set out there. Is he going to put in a Clause to limit the number to eight? Will he undertake to put in a Clause to limit it to eight? We all know very well how these things grow. It is thirteen years since I first brought before the Government of that day the enormous extravagance incurred where land was assessed when taken for public purposes, and the enormously unfair sums that were given on many occasions.

Colonel WEDGWOOD (Lab.): We have a new recruit for a sound method of dealing with all these compensation questions. The right hon. Gentleman (Sir E. Carson), who I hope voiced the views of all the Ulster Members, has been the first Conservative really to lay down what I believe to be a perfectly just fact—that the value at which land is assessed for rating or taxation should be taken as the basis for compensation also. That has been the Radical programme for a great many years, and I am certain that only on such a basis as that shall we ever get rid of this perpetual friction over the acquisition of land, whether it be for public purposes or for railway companies or other semi-public bodies.

The problem put before us by this Amendment is perfectly plain. It is whether we should take the existing body of State valuers as the body to determine the compensation to be given to land owners whose land is required for housing or other purposes, or whether, instead of the State valuers, who have been at their work now for nearly ten years and have already

* The following abbreviations are used: Ind. Lib., Independent Liberal; C.U., Coalition Unionist; C.L., Coalition Liberal; Lab., Labour.

valued the whole of the land of England, we should take a special new body of referees, of people who have not hitherto been in the Government service, whose whole trade and profession has been in the service of the landed interest. This new body cannot possibly exist without their records. They will be absolutely futile, and directly you start on records, directly every case that comes before them has to be filed, directly they have to refer back to previous judgments of their own, you get reconstruction not merely of a new Government Department, but of a regular Court of Chancery. We do not want to have a new Department of that sort. We are already overloaded with these Departments. Still less do we want one where it is realised—and the country will realise this very soon—that it is merely instituted in order that a larger and unfair compensation can be allotted to landlords instead of the just compensation which they will get from that body which assesses the value of land for taxation.

If this Amendment is thrown out the Bill might just as well take its place beside the 1846 Land Clauses Consolidation Act and the other Land Acts we have had in the past for assessing compensation.

Mr. RAFFAN (C.L.): I make an appeal to the Government not to turn a deaf ear to the extremely powerful and able speech delivered by the right hon. Member for the Duncairn Division (Sir E. Carson). He has voiced this afternoon what is the general view of the average man and woman in this country. That view has found expression, as the Government must know, from resolutions which have reached them which have been passed by most of the great municipalities. The Glasgow Corporation, the Manchester Corporation, and something like a hundred different borough councils in this country, have passed resolutions expressing the opinion that the Bill in its present form is entirely inadequate for the purpose of securing land on fair terms, and that the value of the land which is returned for assessment purposes should be the value at which it should be secured for public purposes. Those who have so long advocated that view in this House and in the country are very glad to have received such valuable aid from the right hon. Member for Duncairn.

Sir G. HEWART: I assure those who have made this appeal to me that they are asking for something which is not practicable. They are proposing that the normal ordinary tribunal for matters of this kind should be the Commissioners of Inland Revenue. The main objections are these two. In the first place, the Commissioners of Inland Revenue, although they are undoubtedly well qualified to deal with questions relating to the value of land, are not well qualified, and would not profess to be well qualified, to deal with the collateral and very often far more important questions which arise where land is compulsorily taken. Another and even graver objection is this. One of the most important functions which the Commissioners of Inland Revenue have to discharge is to advise Government Departments as to the value of land. Are they to abandon these advisory functions in order to take up the functions of valuers, or are they to endeavour to combine the two? That, I submit, would be impossible.

Question put, "That the words proposed to be left out stand part of the Bill."

The House divided: Ayes, 213; Noes, 58.

Clause 2, Sub-Sections (1) and (2) were debated, and after amendments were rejected were carried as follows:—

Clause 2. In assessing compensation, an official valuer shall act in accordance with the following rules:—

(1) No allowance shall be made on account of the acquisition being compulsory:

(2) The value of land shall, subject as hereinafter provided, be taken to be the amount which the land if sold in the open market by a willing seller might be expected to realise.

Sir DONALD MACLEAN then proposed to move at the end of Sub-Section (2) the following additional words:—

"and such valuation shall be based upon any returns and assessments for taxation made or acquiesced in by the claimant during the preceding three years."

I accept the open market and the willing seller, and all that is proposed by the Amendment is to add that the basis upon which the valuation must now proceed shall be upon any returns—it may be the latest return made for the purposes of probate. It means that they are to take all the returns as the basis upon which the valuation for the purpose of this Bill is to be made.

I just want, before going into other parts relevant to my Amendment, to urge upon my right hon. and learned Friend the

importance of the position which I am now taking up. It would have been quite easy to say "shall *prima facie* be the valuation," but I am just saying you shall start from here. I want to make it perfectly clear what is the essential moderation of the thing. All I am asking is that these new valuers shall see what experience has already said as to the value of the hereditament it is proposed to assess.

As the Bill now stands, it provides that the value of the land shall be the ordinary market value, and my words are intended to be a qualification of that. The words "ordinary market value," as they stand in the Bill, are taken *verbatim et literatim* from the Finance Act, 1910, and my words are a qualification of those. By way of illustration let me state what is taking place to-day in my own constituency in the town of Peebles itself. There the local authority is going on with a housing scheme. They propose to take a relatively small piece of ground—only about 6½ acres. They are in process of dealing with the owner of that land. The value of that land at the present time is about 30s. per acre. After a good deal of discussion with the owner they made an offer to him. Twenty years' purchase at a value working out at about £9 15s. would be about £200, but the owner is asking at a rate of well over £2,000. The local authority—the town council—offered him a sum of £600 in order to get this small piece of land, and that is how the matter at present stands. Why is that claim being pressed? Because there is a severance of the farm. Six and a half acres is being taken away from it, and, practically, the owner is asking for those 6½ acres rather more than the value of the whole farm. If this Clause stands as at present drafted, with the question of severance and injurious affection caused by it, the valuers will have no option but to deal with that land somewhat on the basis of the claim made by the owner at present, and the object of my Amendment is that the land valuers appointed under this Bill shall have express Parliamentary direction that their basis, in approaching such a transaction, shall not be the price which the owner of that piece of land might be able in open market to force upon a willing buyer, in addition to the claim for severance, but that they shall start on a basis already ascertained by valuation by two local authorities, the rating and the district valuer, and probably the valuation for Succession or Probate Duty, and that on that they shall proceed to allot the compensation required to be paid by the local authority to the claimant.

Mr. SHORTT (Home Secretary): I certainly do not see why some such words as are contained in the Amendment should not be put into the Bill. They do not deal with the question of severance or injurious affection. The Amendment does not deal, in fact, with any other matter than the value of the land. The only objection I take is to the words "shall be based on." I do not understand those words, except when they are applied to some one definite thing. An analogy to a proposal of this kind may be found in clauses in rating judgments and Statutes, but the words "shall be based upon" do not seem to me to be convenient and proper words to use when you may be dealing with perhaps a number of returns and assessments. I think it would probably meet what my right hon. Friend desires, certainly it would be more consonant with the words commonly used in judgments and, so far as my recollection goes, in the various Statutes dealing with rateable value, and so on, if he said

"and in such valuation regard shall be had and full consideration shall be given—"

to any returns and assessments. That is a term I shall be perfectly willing to accept. The principle of the Amendment, namely, that where a man acquiesces in an assessment or makes a return upon which he is going to pay money it should certainly have full weight when you are deciding what value he is to get for his land, that I agree to in full. Further than that I cannot offer to go.

Mr. RAFFAN: The words suggested by the Home Secretary are open to the criticism he has directed to my right hon. Friend's words, and, on the contrary, the words of the Amendment are not open to that criticism. What is meant by the words "shall have regard to"? By how far under words of that kind will the official valuer be bound to pay any particular attention to or give any definite decision based upon the rateable value or upon the assessment for taxation to which the owner may be liable? I quite realise that you cannot introduce the question of rating land values into this Bill, but you can introduce this Amendment, which says that when the valuer comes to decide what is to be paid to the owner for land which is required for public purposes, the valuer shall begin his inquiry by asking at

what is the land rated and what is the valuation the owner himself has placed upon it when he has conceived it would be necessary for him to pay taxation upon its value.

When the right hon. Gentleman (Sir E. Carson) made his speech this afternoon it took me a little by surprise. Probably what influenced him was the experience of the Corporation of Belfast, which has been trying to deal with this housing question. They found, when they proposed to purchase houses for municipal housing schemes, that the price asked them was equivalent to a capital value of £5,800 an acre.

The experience with regard to housing in Belfast is confirmed by the experience in regard to housing in Dublin. A Departmental Committee was appointed to consider housing conditions in Dublin, and they reported that there was a most terrible state of overcrowding there, nearly 70,000 people living in dwellings of one room. What is the cause of that? The Departmental Committee, set up to consider the matter, say that one main reason for it was the price of land for housing. They say in one case £10,000 an acre had been paid by the corporation and the average price of twenty-four acres required for municipal housing was £4,070 per acre. Might I give two cases from Wales. At Ebbw Vale, in South Wales, they proposed to erect houses, I think ten or twelve to the acre, on garden city lines, on an area of fifty-six and a half acres of land which they proposed to purchase from the Duke of Beaufort, who held the bulk of the land in the neighbourhood, and it is the only site which was really available. The assessable value was about £1 an acre, which is what one would expect for agricultural land. But his Grace asked £24,250 for the site, which is about 450 years' purchase of the value which he himself had considered reasonable for agricultural land. It is not for me to judge as to whether the correct value was that which he returned for rating purposes or whether it was the £24,250 which he asked from the district council when he proposed to sell the land. These two prices taken together cannot conform to the dictum of the right hon. and learned Member for Duncairn (Sir E. Carson), that there should be one value. Either one or the other is a mistaken valuation. Either the Duke of Beaufort ought to have been compelled to pay his rates upon £24,250, or it ought to be possible to acquire the land on the basis of something like twenty years' purchase on £56.

Mr. A. SHAW (C.L.): The House has accepted Sub-Section (2) as it stands, and we have, therefore, accepted the position that the value of the land is to be the market value. As that is the basis we have accepted, it is somewhat difficult to qualify it by suggesting a different basis. They cannot be got over by putting in two consecutive clauses things which are incompatible. The Leader of the Opposition has had what I consider is a very fair offer from the Home Secretary in the circumstances in which we find ourselves in having passed Sub-Section (2).

Mr. L. SCOTT (C.U.): You cannot possibly say that the assessment should be the basis of valuation, for this reason, that rating assessments are made upon the occupation value, judged by the occupation at the time of the assessment. The land, for instance, may be in agricultural use, but be on the very edge of a town in the middle of a building district, and have far more value for capital purposes than its agricultural value, and to say that the assessment for rating should be the basis of assessment for sale would obviously be wrong. But it is perfectly right to say that regard should be had to the assessment, because in some cases the assessment represents the annual value, which is co-relative to the capital value at the time.

Sir G. HEWART: I would suggest that the form the words should take should be this:—

"Provided always that regard shall be had to all returns and assessments for taxation made or acquiesced in by the claimant during the three years next preceding the assessment of compensation."

The difference between that form of words and the form which my right hon. Friend proposes is that, instead of saying that previous returns and assessments are to be the basis, we say that these returns are matters to which regard must be had. They could not be the basis. Examples have been mentioned. I may mention another. Take the case, with which my right hon. Friend is perfectly familiar, of the assessment under Schedule A for Income Tax. It does not in the least follow that the annual value is a true index to the capital value. In a great many places building land has been employed as agricultural land, and as annual value, on which the assessment is made, depends upon the user of the land at the particular time,

it would be quite wrong to say that that should be the basis of the value. But, on the other hand, that and the other returns are matters to which regard may properly be had.

Sir D. MACLEAN: The real difference between us is as to whether my words "that the valuation shall be based upon" are stronger than the words "regard shall be had." Notwithstanding what has been said by my right hon. Friend who has just addressed the House, there is a remarkable unanimity in the House at the present time that the compensation which shall be paid under this Bill shall approximate as nearly as may be to the taxation value. There is a very remarkable consensus of opinion on that point, and in deference to that opinion the representatives of the Government have made the suggestion which is now before the House.

The House divided: Ayes, 39; Noes, 156.

Sir G. HEWART: I beg to move, at the end of paragraph (2), to insert the words:—

"Provided always that regard shall be had to all returns and assessments for taxation made on or acquiesced in by the claimant during the three years next preceding the assessment for compensation."

Sir F. BANBURY (C.U.): "I beg to move, as an Amendment to the proposed Amendment, after the word "taxation," to insert the words:—

"on capital value."

There is a good deal to be said for this Amendment, because the taxation on the capital value—the Death Duties—is made upon the selling value of the property, and has nothing whatever to do with the annual value, which may not be the selling or capital value. I trust the Government will accept the Amendment. They will take upon themselves a very serious step unless they do. Unless they accept these words, they are allowing the valuers to bring in for the purpose of assessing what compensation is to be paid to a man for his property something which has nothing whatever to do with the actual value of the property. They are endeavouring to avoid the first part of the Clause, which says that compensation shall be founded upon the market value of the property.

Colonel GRETTON (C.U.): The Government have no reason for going on with an Amendment which they offered to accept in order to placate the Opposition—in order to give them something which went a little way to give them what they desired. I think it was a very dangerous step to take in view of the confessed desire of the Opposition to acquire land for public purposes at less than its value—less than it would fetch in the open market if offered by a willing seller. To my mind that amounts to a dishonest transaction, and I submit that, after that confession, the Government ought not to go on with their Amendment. If their basis is market value, they should adhere to that basis.

Sir G. HEWART: I trust that the House will not accept this Amendment. I am sure the hon. and gallant Gentleman is well aware that a valuer, in endeavouring to arrive at the true value of property, invariably inquires what is the rateable value. Is it to be believed that one of the gentlemen to be appointed under this Bill will not be aware that he is to take that piece of evidence for what it really proves?

The House divided: Ayes, 132; Noes, 30.

Thursday, June 26th.

The remaining Sub-Sections of Clause 2 were carried as follows:—

(3) The special suitability or adaptability of the land for any purpose shall not be taken into account if that purpose is a purpose to which it could be applied only in pursuance of statutory powers, or for which there is no market apart from the special needs of a particular purchaser:

(4) Where the value of the land is increased by reason of the use thereof or of any premises thereon in a manner which could be restrained by any Court, or is contrary to law, or is detrimental to the health of the inmates of the premises or to the public health, the amount of that increase shall not be taken into account:

(5) Where land is, and but for the compulsory acquisition would continue to be, devoted to a purpose of such a nature that there is no general demand or market for land for that purpose, the compensation may, if the official valuer is satisfied that reinstatement in some other place is *bona fide* intended, be assessed on the basis of the reasonable cost of equivalent reinstatement.

Mr. A. SHAW: I beg to move, to add, at the end of the Clause, the words:

"and for the purposes of this Section an official valuer shall be entitled to be furnished with such returns and assessments as he may require."

This is merely a proposal to give full effect to a proviso which was inserted by the Government yesterday afternoon in Sub-Section (2), that the official valuer should have regard to returns and assessments. These returns and assessments are highly confidential documents, and I am informed by those whose opinion I trust that in law there is nothing in the proviso already inserted which will compel, say, the Inland Revenue Department to reveal these secrets.

The amendment was agreed to.

At the end of Clause 8 (which provides for the reference of any question as to disputed compensation to the Commissioners of Inland Revenue or to an arbitrator agreed on between the parties) the following words were added (as proposed by Mr. L. Scott and accepted by Sir G. Hewart after certain amendments):

"Either party to a claim for compensation may require the Commissioners for Inland Revenue to assess the value of the land in respect of which the claim arises, and a copy of any such assessment shall be sent forthwith by the Commissioners to the other party, and such assessment shall be admissible in evidence of that value in proceedings before the official valuer, and the servant of the Commissioners who made the valuation shall attend if required for cross-examination before the official valuer."

Third Reading

Friday, July 11th.

Motion made, and Question proposed,

"That the Bill be now read the third time."

Sir DONALD MACLEAN: I beg to move, to leave out from the word "That" to the end of the question, and to add instead thereof the words

"this House declines to give a Third Reading to a Bill which sets up an unnecessary and expensive staff of valuers and fails to establish the principle that the value on which land is taxed should also be the value at which it may be acquired for public purposes."

I do not propose to go at any length into what has been accomplished by the existing land valuation staff set up by Act of 1910 and its immediate applicability if it had been thought desirable for using that machinery instead of the new authority which is to be set up.

It is clear to me from all the Debates to which I have listened that there emerges the definite intention of the Government to do away, as a great instrument of land reform, with that great machinery which has been set up. We fought hard and long for the establishment in this Bill, not only for the polite recognition of the fact, but for the establishment of the principle that the results of that valuation and of other valuations and assessments made by great public authorities should be the basis—that is all we ask—upon which these valuations should proceed.

This is the last word of the Government to the country in the future stretching immediately before us as to how land should be dealt with. It is utterly inadequate, and I say it is unfair. It cannot remain on the Statute Book without causing long and serious agitation, directed, certainly so far as I am concerned, to securing the first opportunity of altering this measure in accord with promises and principles of the past and bringing it somewhat into line with what we consider to be justice to the public and fairness to the individual owner.

Mr. RAFFAN: I gather the desire of the Government has been to meet the public need without attacking the vested interest in the land of the country. That, in my view, is an utterly impossible task. It has not been accomplished in this Bill.

For two particular reasons this question is pressing. First, because of the need of housing accommodation for our people, and, secondly, because of the necessity of giving an opportunity to the soldiers who have been fighting so gallantly for us to settle upon the land where they desire to do so. With regard to both those objects, the Bill will advance us only a very short

way indeed. What has been achieved by the Small Holdings Colonies Bills—the succession of Bills which have been passed through this House? In an answer given by the Parliamentary Secretary to the Board of Agriculture last week or the previous week, we were informed that there are now 250 men on these colonies, but of these not more than 20 or 25 are in possession of small holdings. The remainder are on what is called probation, which means that they are simply engaged as agricultural labourers and paid wages. In the dim and distant future they may perhaps be given small holdings. That is to say, of the 250,000 who want to settle down, you have been able to make even this unsatisfactory provision for just one out of every 1,000 and the other 999 have returned here to swell the ranks of the unemployed, to draw unemployed benefit and to congest the labour market.

I would not ask the House to reject the Bill merely because it does not carry out these purposes in its entirety. I am old enough a Parliamentarian to know that if you want a reform you must be willing to advance step by step, and if this Bill went any way in that direction I would gladly and wholeheartedly support it. But the Bill does not proceed upon those lines at all. It proceeds upon the old bad lines of setting up old cumbrous machinery, the hearing of evidence, the employment of solicitors and of counsel, the hearing of expert witnesses, and all those things which enormously increase the difficulty of acquiring land, and enormously increase the cost before it can be secured.

The right hon. Gentleman (Sir Gordon Hewart) has inserted a provision which says that the local authority can make an offer for the land, and if it is found on arbitration that the value of the ground is not greater than the amount of the offer, the local authority can recover their own costs, and the other party has to pay his own costs also.

I have a great deal of experience as a member of local authorities, and if this measure passes in this form every authority who have as their advisor a competent person will offer more than they think the land is worth, so that they may be able to recover their costs. Therefore the local authority start out handicapped from the post with an inducement to offer, not merely the market price of the land, but a higher price in order that the burden of costs may not fall upon them. So one might go on. This measure cannot stand as the final word of this House on the subject, and if this Parliament runs its course it cannot stand as the final word even of this Parliament.

Mr. ROYCE (Lab.): Without according such blessings to the Bill as have been accorded by the hon. Gentleman who has just spoken, I desire to say that I shall vote for the Third Reading on the principle that half a loaf is better than no bread. The urgency of the question is great. There is a great cry for the land. Men are at home in hundreds and thousands. One hon. Member said there were 250,000, yet he hopes to advance their interests by moving the rejection of this Bill.

Mr. RAFFAN: This Bill will not get land for them.

Mr. ROYCE: It is not a Bill for getting land for them; I presume that the operations for getting the land will be taken under the Land Settlement Bill, but the question of assessing compensation for the land that is taken is provided for under this Bill, and to that extent it forwards the object in view.

The rejection of this Bill would delay that getting of people on to the land. On those grounds I have great pleasure not only in supporting the Bill, but in urging on the Government as far as I possibly can the necessity of proceeding with the other stages of the Bill, and of getting the machinery at work so as to get the men on the land as soon as they possibly can, and they will thereby remove serious discontent, and will do something by way of redeeming the promises made to the men who have done so much for us.

Mr. J. JOHNSTONE (C.L.): If under this Bill the feuing value is to be taken, it will be a great scandal. We have done our best to get land and could only do so at highly inflated prices even in the small villages. If the local landowner is approached for land on which to build houses he wants probably £50 an acre, and the result of that highly inflated feuing value has prevented building and the extension of works. I have known cases of people working with congested factories rather than be penalised by paying the high prices asked for land. When I stated that the feuing value was £40 or £50 I was referring to purely agricultural land in purely country districts, and when you come near the large town the price soars up at once.

Major ENTWISTLE (Ind. Lib.): I agree with what has been said that the country does not yet appreciate what this Bill amounts to, and that when it is properly advised of its actual nature there will be a huge reaction and revulsion against the Government. The private ownership of land, and the present system which allows of this monopoly power of the landowner to be exercised to the full, is the one thing which hampers production more than anything else.

Mr. A. WILLIAMS (Ind. Lib.): In the great evils of dear land in our towns, crowded houses because land is dear, the great dearth of houses and outlets on the land for our returned soldiers and others as well, as the great need for open spaces and playgrounds for our children to make our towns decently habitable, you are up against an immense danger to society, and mere tinkering measures and small improvements are not going to answer your purpose, and in this way you are not going to subserve the interests of those who happen to be in a more comfortable position in life.

I implore the Government with regard to this and other Bills to take their courage into both hands and to place the interests of the nation and the mass of the people above vested interests. Let them be just to vested interests, but they must be just to the nation as well, and give us such drastic and great reforms as will enable us to weather this great national crisis without disaster.

Mr. WALLACE (C.L.): It is a matter of great regret to me that the machinery which was brought into existence by the 1909-10 Budget is not to be used for the new valuation. I never admired the Prime Minister more than when he entered upon that great land campaign, and it is a matter of great regret to us that the work that he did then is simply to be thrown to the winds. The promised land of which he spoke, and to which the people were looking forward at that time, is still for all practical purposes the "promised" land. We have got no further than the promise.

Major HAYWARD (C.L.): A very remarkable speech was made, as I understand, on behalf of the Labour Party, by the hon. Member for the Holland and Boston Division of Lincolnshire (Mr. Royce). If the sentiments expressed by him did, as a matter of fact, represent the views of the Labour Party on this matter, then they will have to look to their laurels if they wish to be considered the proper exponents of progressive opinion in this country. They are being overrun and overtaken by the right hon. and learned Gentleman the Member for the Duncairn Division of Belfast (Sir E. Carson) and his followers. He at least has appreciated and properly sensed the genius and spirit of the new age.

Sir G. HEWART: Let us see what the simple scheme and purpose of the Bill really are. It gives nobody power, where power does not already exist or is not in the future otherwise given, to acquire land. What it does is to provide, where compulsory power to acquire land exists or is hereafter given, the machinery by which the price is to be determined.

Observe also it is not in every case that this Bill provides that machinery. It provides the machinery only in cases of dispute. We believe that no small result of this Bill will be to reduce the number of disputes. Certainly the Bill will take away from the vendor whatever expectation he may hitherto have been able to indulge of fighting for a price which he knows to be excessive in circumstances in which he is assured that he will not have to pay the costs. Not only does the Bill deal only with disputes which remain; it deliberately contemplates that, in certain of the disputes, if the parties agree to arbitration, that the arbitration, if they so desire, shall be at the hands of the Commissioners of Inland Revenue.

My right hon. Friend the Member for Peebles said that the sole basis for the ascertainment of the purchase price in these disputed cases ought to be the amount at which the land is assessed for rating or taxation.

Surely the right hon. Gentleman is well aware that for those purposes there are different figures and different methods of computation. Take, for example, rating. What is the problem in rating? It is not to ascertain the capital value of the hereditaments; it is to ascertain the rent which the hypothetical tenant from year to year would pay. What is the problem in regard to Income Tax? It is to find the actual annual value—that is, the yield of the land for whatever purpose it may in fact be employed. It may well be that neither of those two figures, accurate though they were for the purpose for which they were tendered and accepted, would be the slightest index

to the true capital value of the land. It does not end there. There is also a valuation for Death Duties. Is it to be said that that is the figure? In that case there is a controversy, as my right hon. Friend knows, between the executors on the one hand and the taxing authority on the other. The executors say it ought to be the price at a forced sale. The taxing authorities say it ought to be the true value.

The hon. Member (Mr. Raffan) thought it right to say that we had found our task impossible because the task to which we had addressed ourselves was that of endeavouring to supply the public need without attacking vested interests. No travesty could be more complete. The task which we had in fact addressed ourselves to is the simpler, the more attractive, the more honest task of doing justice to the public all round, whether they be purchasers on the one hand or vendors. I have listened in vain for any contention which will destroy or in the smallest degree subtract from my view, to which I adhere, that if you are taking a man's land the fair price to pay is the market price. This Debate has continued for a considerable time. We have had a reiteration of every main point which was raised on every one of the preceding stages, and I hope without further delay the House may think it right to bring the matter to a conclusion.

Mr. T. THOMSON (Ind. Lib.): I wish on behalf of the industrial constituency (Middlesborough), which I represent, and which feels that it is exceedingly handicapped in this work of social reform, to voice the protest which I know it wishes to be made, irrespective of political parties, against what it considers the inadequacy of this Bill. I hold in my hand a letter from the Town Clerk of the Borough and the Council, the majority of whose members are on opposite political platforms to myself, and they have passed this resolution:—

"That in our opinion the provisions of the Acquisition of Land Bill now before Parliament are inadequate for local authorities to acquire land for public purposes, and it therefore urges upon Parliament the introduction of legislation to enable local authorities to acquire land for public purposes at a price based on the assessment for rating purposes."

The practical experience of urban authorities throughout the length and breadth of the country is that the price paid is not a just price—not just to the municipality, and not just to the people who have to have houses built on smaller space, cramped and confined, because of the unearned increment value which has to go to the landlord. I appeal most earnestly to the Government that this should not be their last word on this question.

Sir R. WINFREY: There was a land sale in my district last week. It was the fourth sale in connection with the Trafford Estate. This estate is a very large estate in the Eastern Counties and they have had four sales, one in 1916, one in 1917, one last year, and another this year. They put their best land into the market first. Last Thursday 877 acres of land were sold, and although it was not up to the standard of quality of the land at the other sales bidding was keen, and the price averaged £90 an acre. That is for agricultural land. In 1916 the Trafford trustees made an average price of £43 per acre for their best land. In 1917 they secured £75 an acre, and this year they have obtained £90 an acre. Here you have land which is being sold in the open market, and which owing to the action of the Government has doubled in value in three years. Yet the Attorney-General asks the local authorities to go into the market and buy land at these war prices. You are going to have a gigantic system of profiteering under this Bill.

Question put.

"That the words proposed to be left out stand part of the Question."

The House divided: Ayes, 166; Noes, 17.

In the division on Sir Donald Maclean's Amendment the following non-ministerial members of the Liberal and Labour Parties voted with the majority: *Liberal* (29)—Major H. Barnes, Sir F. Blake, Captain Bowyer, Major Brees, T. T. Broad, Captain Coote, Sir C. J. Cory, D. M. Cowan, Commander Dawes, Major J. Edwards, Col. Creig, Major Howard, S. L. Hughes, J. Townyn Jones, Lieut. T. A. Lewis, R. Mason, Captain Moreing, A. Neal, Major T. H. Parry, Sir W. Pearce, H. G. Purchase, Sir A. Richardson, T. Robinson, J. Rowlands, Col. H. K. Stephenson, J. Leng Sturrock, Sir T. C. Warner, Lt.-Col. Sir R. Williams. *Labour* (4)—Rt. Hon. W. Crooks, W. R. Smith, S. Walsh, W. T. Wilson. Only two Labour Members voted with the Minority: W. Carter and Brig.-Gen. Sir O. Thomas.