

HOUSE OF LORDS ATTACK ON THE LAND VALUATION

Satisfactory Government Reply

TUESDAY, MARCH 28

(The Times Report.)

LAND VALUATION

LORD ORANMORE AND BROWNE, in asking the Government whether the land valuation imposed by Part I. of the Finance (1909-1910) Act, 1910, could not be postponed till the conclusion of the war without prejudicing the resumption of the work when peace shall have been restored, suggested that to allow the valuation to remain in abeyance until the close of the war would not prejudice the taxation which was expected to arise from the taxation of land values, that it would enable a considerable economy to be effected in respect of the salaries of the staff of the Valuation Department, and that it would set free a large number of officials to undertake national work which was of urgent importance at the present time. As nearly as he could gather, the total cost of the valuation to the end of March, 1915, was £2,928,397, and the receipts for that period amounted to £689,068. In June last Mr. Lloyd George stated in the other House that the estimated expense in respect of land valuation for the current year was £676,000, while, owing to a decision given by the High Court and owing to certain concessions which had been made, it was clear that the revenue derived from the duties this year would be very small. Among the members of the staff were several men qualified to undertake work which must arise in connexion with the assessment of the compensation payable to farmers and landowners, in respect of land taken over for camps, training grounds, hospitals, and munition works. He was sure the Minister of Munitions would not object to a small portion of the Act, which he got passed with so much difficulty, being put into abeyance for a short time.

The EARL OF MEATH read the letter which appeared in the TIMES from a member of a Cathedral Chapter, giving the conversation which passed between him and a valuer from the department who came down to value the site of the Cathedral without the buildings, and said it was more like an incident from "Alice in Wonderland" than a quotation from a London daily newspaper, and, as an encounter between a dignitary of the Church and a Government official, was almost incredible. He was informed that the Valuation Department had actually discouraged the enlistment of members of its staff and had issued a circular stating that the Government would not promise to reinstate after the war those of them who joined the Army. He hoped to receive an assurance that there was no truth in that report.

LORD HYLTON, replying on behalf of the Government said that at the present moment the Valuation Department employed 580 permanent officers, the majority of whom were highly qualified valuers. He was informed that the staff was now engaged mainly in the task of overtaking the arrears of occasional cases which had accumulated—cases of duty payable upon the sale of property or upon the death of the owners of property. The number needed to deal with those arrears and with current work had been considered carefully, and everything possible had been done to reduce the expenditure of the Department. The temporary staff had been reduced to the minimum requisite for the work. During the present financial year the temporary engagements of 2,688 men had been terminated. The number of both permanent and temporary officials at the present time was 1,941, of whom 976 were naval and military servants. The cost of their salaries was £272,000, which included £54,000 paid as civil pay to men who were serving in the forces. The present permanent staff of 580 included 349 men of military age, of whom 115 were already serving in the fighting forces. As vacancies arose in the staff they were filled by temporary appointments. The Commissioners of Inland Revenue expected to be able to release 80 more officials. Of the temporary staff 247 members were men of military age. The question of their enlistment lay between the military authorities and themselves, and the Commissioners of Inland Revenue were not concerned. He had no information with relation to the circular mentioned by the noble earl, and he hoped that

it would not prove to be the case that such a circular was issued.

THE RETRENCHMENT COMMITTEE IMPEDED

VISCOUNT MIDLETON said that, although the Retrenchment Committee was appointed to examine the work and expenditure of the whole of the Departments of State, no report was made by the Committee concerning the Land Valuation Department, notwithstanding that the charge for that Department upon the Estimates exceeded £500,000. In his opinion the results of the work of the Retrenchment Committee were disappointing. It was impossible for them to carry out the whole of their task. In the first place, the Cabinet decided that the Committee must strictly confine their inquiries to the Civil Departments, and anything relating to the Army or the Navy or even to the Ministry of Munitions was withheld from their purview. In the last-mentioned Department he had reason to believe that appointments had been more numerous than in any other Department at any time, and he ventured to say that it required overhauling as much as any Department of the State, not only as regards its *personnel*, but as regards the results achieved. (Hear, hear.) The Retrenchment Committee, on meeting, were informed that all questions were withheld from their purview which had to do with the policy of the Government or policy upon which Parliament had decided. The Committee's inquiries were constantly blocked and headed off.

YIELD AND EXPENDITURE.

The first point to which he wished to draw attention was the revenue obtained from the taxes and the cost of its collection. In Committee on the Bill in 1909 Mr. Lloyd George said these taxes would pay the old-age pension of the small holder and prevent his holding from being trampled down by German cavalry. A programme of Dreadnoughts had just been laid down, and it was expected that much of the cost in future years would be provided out of the land taxes. The estimated yield in 1909-10 was £250,000; in 1910-11, £390,000; in 1911-12, £300,000; in 1912-13, £255,000. Thus in the first four years there was an estimated yield of £945,000. The actual yield in the first six years was £751,068. The cost of collection in 1910-11 was £372,558; in 1911-12, £401,290; in 1912-13, £533,618; in 1913-14, £677,599; in 1914-15, £720,015; in 1915-16 (estimated), £543,000. So that there was an expenditure of £3,268,080 to produce a revenue of £751,068. (Hear.) Last year there were 377 permanent valuers and 3,335 temporary valuers, and about two-thirds of the temporary valuers had been got rid of, but it was inconceivable that at a time when the Retrenchment Committee was urging the Government not to fill up a single post in the Civil Service out of the temporary valuers no less than 203 were made permanent with pensions and all the advantages of the permanent Civil Service. There was not a shadow of justification for that. Under their agreements these men had no claim to permanent appointments, and the step which had been taken was one of the most barefaced evasions of the wishes of Parliament that could probably be found in the history of the last 50 years. The estimated cost of the department for next year was £391,000, less £30,000 estate duty, leaving £361,000. He did not want these taxes to be excised, but he asked that they should be made a "fiscal instrument." So long as they were only yielding £100,000 at an expenditure of over £360,000 they could not be called a "fiscal instrument." He was not to be intimidated by the fact that some people out of doors might say that they were arguing about the cost of collection in order to evade the taxes. That was not so. They considered they had a right to insist that these imposts should be looked upon from the point of view of the revenue they produced and the minimum staff to produce that revenue. If this scandal was not brought to an end they should have to return to the subject until they brought the Department into proper order.

LORD SHEFFIELD remarked that the legislation relating to the valuation of land and other land questions would be overhauled after the war, and it would be well that the initiative in the matter should be left to the other House.

LORD PARMOOR said that if there were in the Valuation Department 710 men capable of military service, it was nothing less than a scandal. Nearly every morning he received valuations of the property of ecclesiastical and charitable institutions of which he was a trustee and all

of these valuations made in the present abnormal circumstances were absolutely useless for any permanent purpose.

"CLASS INTERESTS."

The EARL OF CROMER said the Government were impressing upon individuals to practise economy; but what were they doing themselves? They appointed a Retrenchment Committee, and the first order that Committee received was that they were not to deal with war expenditure. That Order was a great mistake. It was based upon the idea that because we were at war we ought to be extravagant, whereas economy and efficiency in war went hand in hand. (Hear, hear.) The Retrenchment Committee were also told that to enter upon an investigation of the Land Valuation Department involved the discussion of class interests. That simply meant that in order to stop the mouths of a small and violent section of the House of Commons, a sop must be given to them. The House of Commons had abrogated its most important function, the checking of expenditure, and had constantly pressed the Chancellor of the Exchequer to spend more than he had desired.

THE GOVERNMENT REPLY.

The MARQUESS OF CREWE said that practically all the speeches had made it clear that the question of land valuation was liable to awaken the sleeping party dogs. For his own part he was particularly anxious to avoid raising any party issue, and therefore would refrain from discussing the principle of land valuation and the purpose for which that valuation had been instituted. He would therefore merely say in regard to the general question, that he did not think the comparison which Lord Middleton had made between the amount expended upon the institution and the value of the revenue produced was really fair. The setting up of the institution would naturally cost more than its future maintenance. But he thought it important to point out that an attack levelled at the institution would arouse a profound feeling in the minds of many people. Not only land-taxers and land nationalists, but the Liberal Party and the Labour Party would regard an attack upon the principle of the valuation of land for the purpose of special taxation as a definite breach of the party truce, and would refuse to believe that it was inspired by a desire for economy or the necessity of obtaining more men for the Army. The fact remained that a proportion of the people of this country who favoured land valuation felt that the debate was not inspired by a desire for economy or for recruits, but was inspired by a desire to drive a wedge into the principle of valuing land for the purpose of taxation. The figures applicable to the Department were these—the permanent staff of the office included 349 men, of whom 118 were serving with the fighting forces, which left 231. From these the Department hoped to spare 80 more, which would leave 151. The Government wished the Department to be treated on precisely similar terms as other Departments, and that it should be cut down to a scale compatible with its services, but the Government were not prepared to abolish the Department altogether during the war. So far as agricultural land was concerned he was not aware there would be any pressing difficulty in valuing it fairly, all valuations of course being subject to fluctuation in the future. There was no rule forbidding the transfer of officials from one State Department to another.

The MARQUESS OF SALISBURY said the leader of the House would not be surprised to learn that his reply was not considered satisfactory. The country did not care two straws about party policy. All the party innuendoes of the noble marquess belonged to years gone by and were utterly out of place in the present state of things. Did the noble marquess mean by his warning to noble lords that to agitate this question might excite retaliation in regard to the money enjoyed by the Church, that he thought they were so mean that in order to save institutions which they cared about they would abstain from telling the truth, the whole truth, and nothing but the truth, about those institutions in order to make some party point? The noble marquess would realise to-morrow that his speech was quite unworthy of him and of the position which he occupies. The matter could not be allowed to rest where it was. If the Government were to suspend the operations of the Department the act would be accepted by the country as proof of their earnestness in urging the great importance of economy, public and private.

COMPULSORY LAND CULTIVATION IN FRANCE

M. Meline, the French Minister of Agriculture, has brought before the Chamber of Deputies a "measure for putting into cultivation abandoned land and for the organisation of agriculture during the war." The Bill is prefaced by a long memorandum pointing out that the area sown with autumn cereals in 1915 was less by 739,000 hectares (1,830,000 acres) than that of 1914, a falling off of 10 per cent., and that the situation which is already serious will become still more critical after the war is over, "because the countries released from war will throw themselves *en masse* upon all the markets of the world and will create a famine of food provisions." The text of the Bill, for which we are indebted to JUSTICE (March 9th) is as follows:—

The President of the French Republic. Decree:

The project of law, of which the tenour follows, will be presented to the Chamber of Deputies by the Minister of Agriculture and by the Home Secretary (Ministre de l'Intérieur), who are charged to expound the motives and to support the debate thereon.

ARTICLE 1.

Within fifteen days from the promulgation of this law, the mayor of each commune, assisted by two municipal councillors, shall invite, by registered letter, the owner or the usual tenant of lands not cultivated to put these lands in cultivation. If within fifteen days from this notice the "exploitant" does not give sufficient reasons to justify the abandonment of his land, the mayor will have the right to requisition those lands, and he can hand them over, to be put in cultivation, to the communal committee of agriculture constituted by decree.

For execution of the works, the mayor will have the right of requisition as regards agricultural implements, animal traction, and disposable premises in the commune.

Prefectorial by-laws, submitted to the approval of the Minister of Agriculture, will determine the forms and the limits within which municipalities can operate these requisitions, as well as the mode of regulating these indemnities.

ARTICLE 2.

The expenses incurred, the advances to be made for the execution of these works, will be guaranteed by the commune. In case of insufficient resources the latter will be authorised, by virtue of the first article of the law of November 5th, 1894, to borrow the necessary sum from the nearest "caisse de Credit agricole."

ARTICLE 3.

The municipality, or the agricultural committee, will superintend, at the risks and perils of the owner or of the "exploitant," the execution of the works up to the complete carrying of the harvest, which will be sold by its direction. The product of this sale will be divided among the right owners after deduction of

1. Taxes if occasion requires.

2. Proportionately to the expenses effected on each piece of land, out of the sums advanced by the commune, plus interest. The excess will be remitted in full to the "exploitants," if the latter have not themselves sown and cultivated for a cause resulting from the state of war and independent of their will.

The third of this excess will be retained from the "exploitants" who cannot justify the plea of "force majeure," and paid over to the municipal funds.

ARTICLE 4.

The statement of expenses, of receipts, and of the repartition shall be submitted to the Municipal Council and ratified by it as in matters of the communal budget.

ARTICLE 5.

The present law, if it is not prorogued, is only applicable as long as mobilisation lasts.