

## THE RETRENCHMENT OF LAND VALUATION OFFICIALS

(The following synopsis of the statements made by a deputation of retrenched officials of the Land Valuation Department to Members of Parliament on November 18th, 1915, has been sent by the Chairman, Mr. Charles E. Price, M.P., to the Members who attended.)

On the 18th November, 1915, by invitation of Mr. Charles E. Price, M.P., a deputation of retrenched Land Valuation Officials presented their case to Members of Parliament, and explained why, in their view, the Ministry was acting unjustly and unwisely in curtailing the staff engaged upon the valuation of the land and the assessment of taxation provided for in the Finance (1909-10) Act, 1910.

The meeting took place in Room No. 12 of the House of Commons. Mr. Price presided, and the following Members of Parliament attended: Sir Edward Beauchamp, Sir Wm. P. Beale, Sir Albert Spicer, Sir G. Toulmin, and Messrs. Geo. N. Barnes, H. G. Chancellor, Timothy Davies, S. Galbraith, John Hinds, Leif Jones, J. King, R. C. Lambert, R. L. Outhwaite, J. W. Pratt, P. Wilson Raffan, G. Caradoc Rees, A. MacCallum Scott, Edward Shortt, Philip Snowden, H. A. Watt, Josiah C. Wedgwood, J. Dundas White, and A. W. Yeo.

The Chairman intimated apologies for absence from thirty members of Parliament who owing to other engagements had been unable to attend.

The statements submitted by the Valuers gave information as follows:—

### 1. The Reduction in the Land Valuation Staff

I. The staff of the Land Valuation Department at the outbreak of War numbered 4,760, comprising 600 permanent and 4,160 temporary officials;

II. 1,000 temporary men enlisted with the benefit of the Treasury regulations (*viz.*, full civil pay less 7s. per week);

III. 171 men resigned their appointments to enlist, one of whom was a permanent official;

IV. About 1,700, mainly junior, men were dismissed up to the end of August, 1915; in most cases these men were warned some little time prior to receiving their notices;

V. In addition, about 900 men were dismissed during September and October; the bulk of these included senior valuers, and in the majority of cases no intimation had been given previous to the month's notice;

VI. Of the 2,600 men dismissed, about 1,100 are professional men, the remainder being clerks;

VII. The staff had been depleted by about 700 experienced valuers, whose services were essential for the proper administration of the Act and for the assessment and collection of the taxes it imposed.

### 2. The Nature of the Appointments

The professional men employed as Valuers from the passing of the Finance (1909-10) Act, 1910 had repeatedly received assurances from their superiors in the service that the appointments were in fact permanent. They were assured the word "temporary" was used only in the technical sense to distinguish their appointment from that of those public officials who are not on the permanent staff or civil list.

The men who were recently discharged were, at the request of the officials of the Valuation Department, precluded from enlisting when the War broke out as their services were specially required in the Department owing to their age and experience; accordingly they complain that they have been worse treated than any other men connected with the Department, although, by age and experience, special consideration should have been given to them.

### 3. The Depleted Staff and the Valuation

The valuations of agricultural land have been made in draft, and since Justice Scrutton's decision was given, the papers remain piled up in the district offices. This work is entirely suspended; in many agricultural counties the offices have been closed, and the men who could settle objections to Provisional Valuations have been dismissed.

All the valuations for Estate Duty require most careful consideration and outside valuers are already submitting valuations on the old basis as it was before the passing of the Finance Act.

Owing to pressure of work on the Provisional Valuation (showing the values as on 30th April, 1909) the re-valuation of undeveloped land, which should have been made in 1914, was passed over. As this valuation falls to be made periodically, this will happen again unless the present staff is augmented. The majority of the valuers who made the valuations for Undeveloped Land Duty are retrenched.

### 4. The Resulting Loss in Revenue

#### *a. Estate Duty.*

A very large number of Estate Duty cases are at the present time held up, pending valuations by the Department. These cases can only be dealt with perfunctorily and the outcome will be a loss in revenue.

The effect of the application of the new Valuation to Estate Duty since the passing of the Act is shown as follows:—

Increase in Total Value from 1st April, 1910, to 31st March, 1914, due to official valuation was 6.16 per cent.; prior to 1st April, 1910, the average increase was 3.00 per cent.; increase due to new organisation, 3.16 per cent.

In addition to this must be taken into account the fact that the original submissions have been higher, due to the knowledge that the valuations would be more closely scrutinised, and further that in many cases the Provisional Valuation figures have been adopted.

#### *b. Undeveloped Land Duty.*

From apparent weakness of administration the owners of large estates with considerable areas of undeveloped land have successfully resisted the collection of this Duty. In the majority of cases any Duty that has been paid is of a trifling nature, and if inquiry is made it will be found that this Duty has been levied mainly on small owners.

Many large landowners have successfully resisted any payment of Undeveloped Land Duty, pending the settlement of the Provisional Valuations, in spite of the section in the Act which provides that Duty shall be paid, and any excess refunded upon settlement. If the objections were settled, and most of them could be, the yield here would be greatly increased.

#### *c. Increment Value Duty; 600,000 Cases Not Even Examined.*

The present staff cannot deal with the vast number of Increment Value Duty cases except in general by making the occasional valuation agree with the original valuation, and that means loss of Increment Value Duty. In probably thirty per cent. of cases the Valuations purporting to have been made in 1909 are still Provisional and need settling before they become original Valuations, *i.e.*, before the question of increment can be disposed of. Here again the absence of the sectional valuer who did the work will result in loss of revenue.

A detailed list of outstanding Increment Value Duty cases, received from a number of District Valuation Offices, showed there were at present 575,250 unexamined cases in England and Wales, and between 20,000 and 30,000 in Scotland. As the existing staff is inadequate for current work these 600,000 cases are likely to remain in abeyance.

until after the War, and the collection of at least £200,000 now leviable as Increment Value Duty will be indefinitely postponed.

#### *d. Reversion Duty.*

Owing to legal technicalities (Camden case, &c.) the collection of Duty is temporarily suspended, but a large number of cases are in suspension and consequently a correspondingly large amount of Duty remains uncollected. As in Increment Value Duty, a fairly complicated valuation has to be made, again dependent as to payment of Duty on the settlement of the 1909 valuation, the retrenchment of the valuers who did the work will result in loss of revenue.

### 5. The Valuation as a Check upon other Assessments

There is no co-operation whatever between the staffs of the Surveyors of Taxes and the Valuation Offices, although they are under the same Board of Inland Revenue. The responsible Surveyors of Taxes who control assessments on Schedules A and B, notwithstanding their Civil Service training, will find that experienced officials of the Land Valuation office have come into more intimate acquaintance with values during the past five years than they have.

The assessments to the Poor Rate in which Schedule A is based are no criterion whatever of the correct annual values or upon which to capitalise the leasehold or freehold values. If the discrepancies in annual values were corrected in the tax district of Marylebone, Hampstead, Paddington, St. Pancras, Holborn, Westminster and Kensington alone, it would result in a considerable increase to the local and Imperial treasuries.

### 6. The 1909 Budget a Dead Letter

It is impossible that the Permanent Staff as now constituted can deal with the work imposed upon them in anything but a slipshod manner, and the loss of revenue will assume serious proportions. Considerable difficulty was experienced in getting together the staff—the profession being a limited one—and this suggests the desirability of the Government keeping the existing staff at least under their control.

In conclusion, the definite statement may be made that “in the Finance Act (1909-10) Act, 1910, there is an Act of Parliament in being, but not in force.”

#### Addendum

Although no reference was made to the point at this interview with the retrenched valuers, it may be noted that the Commissioners of Inland Revenue, in their annual report to Parliament, have consistently neglected to give information as to the sum total of the “gross values,” the “full site values,” and the “assessable site values” of all the hereditaments valued by the Valuation Department; their return states only the sum total of the “total values” of all the hereditaments assessed. There is good reason to believe that this negligence is due to the fact that the Commissioners have not required the District Offices to submit information to them concerning “gross values,” “full site value,” and “assessable site value.” The data have not been assembled or tabulated at the head office, and it is essential that the facts be duly presented to Parliament.

### COST OF STRIKES

In an appeal for increased contributions, the Northumberland Miners' Association states that the funds are exhausted. The Union's property is mortgaged, and there is a bank overdraft of £14,000. Five years ago the association had £125,000, but this has been swept away in two strikes.—(EDINBURGH EVENING NEWS, 22nd November.)

## THE CAUSE OF SOCIAL INEQUALITY

By Louis F. Post

Assistant Secretary of Labour, U.S.A.

(Part of an Address delivered at Ford Hall, Boston, on November 21st.)

My idea of government is a perfect balance between society and the individual, between the social and individual functions, and I think that one of the great troubles we have had in our politics, our religion, and our laws is that we have not recognised that balance.

But we must take government as we find it. We will never get anything done if we refuse to begin working until everything is just the way we want it. What should government as it is do in the matter of idleness? And what do we mean by idleness?

There is one kind of idleness with which no government ought to interfere, and that is earned leisure. Every man should have the right to do as he sees fit with his earned leisure, unless he is damaging somebody else.

The idleness of those who are living on what they are pleased to call the saved-up wealth of their ancestors is the kind of leisure that government should interfere with. They get it at the expense of the working masses. How do they get it? Through municipal laws they get the privilege of holding control of those things which labour must have in order to work.

Now you can abolish all kinds of social inequalities, but if you leave the prime one—if you leave the monopoly of this earth that God has given to his children—you will continue to have the old slavery conditions in one form or another. Remove that monopoly, and every other social improvement you make will come more easily. Land monopoly is at the bottom of it all. If we are going to improve these conditions and abolish idleness, we have got to strike at the root, and get rid of the underlying causes.

There are other things which have to be done. Don't imagine that I think we can bring about a millennium by doing any one thing. We could do several things if we could only get people to agree to act together. . . . How are we going to bring them together?

I would say to them, “Gentlemen, this earth was meant for men. We have made it private property. We have no justification for making it so, except that men can make it more useful to the common good if they work it piece by piece than it would be if it were one great public common. Let us, then, continue to hold the land we have, but let us take only the money that is produced by our own labour upon it. Any unearned increment due to the land itself should be permitted to go into the public treasury.”

When you say things like that, some people immediately begin to say “Confiscation.” Words don't scare me. When the people wake up and realise that certain other people have been living off them, some things are going to happen.

In a report made on November 15th to Mayor Newton D. Baker of Cleveland, the city's Tax Commission unanimously recommends abolition of the uniform rule for taxation of all kinds of property, legislation for classification of property, exemption of mortgages and substitution of a recording fee and preparation of a new tax code by the State Tax Commission. A majority of the Commission recommends land value taxation for local purposes and an inheritance tax for state purposes.