

THE TREASURY CONFERENCE ON FORM IV.

MR. LLOYD GEORGE'S SPEECH.

On September 14th, the Chancellor of the Exchequer received in conference a number of gentlemen in official and professional positions conversant with the issue and requirements of the Land Valuation forms to consider alleged difficulties in filling up these forms. After hearing the different gentlemen's views, Mr. Lloyd George said:—

If you do not mind, I have taken a full note of every point which has been made, and if any gentleman thinks I have omitted something perhaps he will kindly remind me when I have finished. I am very glad to find there is no criticism as to the intelligibility of the form itself; and Mr. Johnson went so far as to say that he did not understand that criticisms had been directed at all to the obscurity or lucidity of the document, but rather to other considerations. I confess, if that is the case, then I must have misapprehended the character of the attack made upon the form. I can understand the character of the attack made upon the Land Taxes. That is a purely political question into which we can hardly enter. The criticisms have been confined to, first of all, suggesting that certain questions which have been addressed to the owner, and which appear in the compulsory part of the form, should be transferred to the optional part of the form. Now what are those questions? It is suggested that item "1" which invites the owner, where he is also the occupier, to state the annual value—that that should remain purely optional. I agree with Mr. Johnson that in substance it is optional, for the simple reason that no man is asked to furnish any information except such as it is in his power to give; and if he cannot state what the annual value is without going to the expense of employing a valuer purposely, he is not bound to answer. This question has been given in schedule A for 60 years to occupiers outside London, and for 40 years to occupiers in London, and there has been no difficulty up to the present. I agree that it is a question which is inserted in the main rather to enable the owner to check the gross estimated rental; but if he does not care to answer, and if he does not do so, then by the very terms of the form he is not bound to do so. All he is bound to say is, "I cannot estimate the annual value." If he does that, that answer will be regarded as quite satisfactory. He is only bound to give information which is within his own knowledge. Now I come to the other items which it is suggested should be optional—the amount of the land taxes, the amount of the tithe rent charge, and other charges, for those charges are known to the occupiers, who ought to be compelled to disclose them. I cannot see any objection to making those optional, for the owner knows them. There are cases where possibly they have not been apportioned and that is especially the case with the tithe land charge. In that case all that he has to say is "Well, I don't know them. They are not within my knowledge. They have not been apportioned." All we want to ask owners to do is to give the information which they possess. They are compulsory if the owner knows them. If they are not within his knowledge he is not bound to go to the expense of ascertaining them; but I have not the slightest doubt he will find it to his interest to do so, so as to have a check.

THE THIRTY DAYS' LIMIT.

Now I come to the question of time. I was not altogether responsible for the forms having been sent out in August. I agree that it is very unfortunate that they were sent out in the holiday season, but the press were rather short of copy, and it has been therefore a boon to them that they should have the land taxes to talk about, and in fact, as far as I can see, they have divided the attention between that and "Dr." Crippen. (Laughter.) I am not responsible for that. If the Budget had been passed in September the land forms would have been out months ago. But that is an old story now, and we had the forms sent out in August.

I quite agree with what has been said by Colonel Mostyn. I think he represents one of the largest, if not the largest, properties in the country. Naturally, he says, "I could not do it within 30 days." I quite agree; but I said in the House of Commons—the question was put to me before the House separated—that where the owner found it impossible for him to send in the information within 30 days, the authorities at Somerset House would be perfectly reasonable, and that an extension would be granted where it was obviously impossible for an owner of a large property to gather the necessary details and to fill in the forms in

the course of 30 days. Colonel Mostyn will bear me out in saying there was no difficulty experienced by him in getting the extension of time; and I can tell you we have had extensions applied for from all parts of the country from large owners, and in no cases have the applications been refused. Once the authorities at Somerset House are satisfied that the owner is actually *bona fide* desirous of supplying the information, that he finds it impossible to do it within the time laid down by the statute, we have full powers of extension, and they have invariably been granted. With small owners there has been little difficulty, and, as I have said, they are sending in their forms, and we have received a million and a half already.

MISTAKES AND OMISSIONS.

Another point which has been made here to-day is this. Supposing a landowner finds that he has made a mistake, the question is put to him—Is he to be permanently fixed with that mistake? Is he to be held to it when the valuation comes to be made, or is there a *locus penitentiae*? Certainly there is. I have already said so in the House of Commons. If he finds that, as regards the provisional valuation, he has been misinformed—if the mistake has acted to his detriment—he is perfectly entitled to correct it.

Mr. JOHNSON said his question related not to a mistake in filling in the form, but to deliberately omitting information which could not be ascertained with regard to deductions from site value. But he could not go into that matter without producing considerable correspondence.

Mr. LLOYD GEORGE said if Mr. Johnson handed in the correspondence they could discuss the matter subsequently.

COLONEL MOSTYN asked if the assurance given applied to omissions as well as mistakes.

Mr. LLOYD GEORGE.—The landowner would necessarily say, "I made a mistake."

COLONEL MOSTYN.—It would apply to them also, then?

Mr. LLOYD GEORGE.—Quite; that is what I mean by a mistake. Such an owner would say, "There is a charge I omitted; there is a covenant I overlooked which affects the real facts." I can quite understand the suspicion which landowners necessarily have, but I can assure them there is no desire to take an unfair advantage of them in this matter; and I can assure them there will be a desire to make the valuation perfectly fair to everybody. There really will.

Well, now I come to question 7. That was entirely inserted in the interests of the landowners, as I have pointed out. I think it was in the original Bill. As I have already said, it was to cover the case where there had been a slump in property in a given neighbourhood. Say a property was bought for £3,000 15 years ago. There had been a depreciation in real property. Down it goes £1,500, and on the date of the valuation it is worth £1,500. In ten years' time the property appreciates again, and the man sells it for £2,500. Well, that is £500 less than he gave for it, but it is £1,000 more than the valuation. He would naturally say that that should not be charged as increment when he is £500 out of pocket. If the owner can prove that within 20 years he paid more for the property than its value at the date of valuation, he should be entitled to revert back to the purchase-money. I think that is perfectly fair; and that was inserted in the interests of the owners of property. But it is also clear, I think, that this is information which the Inland Revenue ought to get, because it enables them to check all demands of that kind which may be made, and it also enables them to know where they are with regard to the Increment Duty. It is in the interests of owners of property, and there is no difficulty in giving it. I cannot imagine that there is any difficulty in giving it. If he bought property within 20 years, I should think he would know what he paid for it, and the only objection I see is in the case of owners of property who have given a fancy price; it may be for a sentimental reason. Now that is the only objection so far as I can see which can possibly be urged against it. I cannot think of any other. I cannot understand why they should object, except on this ground. If a landowner says, "I paid £5,000 for that although it is not worth that to anybody else," he can say that. He may say, "I don't want a house built within ten yards of my house; I want a clear, open space. I do not want my view encroached on, and, therefore, I was prepared to pay five times as much as anybody else would." I should think that any man acting for the Government would take that into account. However, that is a question of policy, not of obscurity. I cannot recall any discussion in which any one on behalf of the landowners urged against the advisability of disclosing such information.

LOCAL INQUISITIVENESS.

Now I come to a point which was urged by Mr. Howard Martin, the objection to disclosing information locally. They object to the particulars being supplied to the local trader, or whoever happens to represent the Government, in the distribution of these forms. Well, I must say, of course, there are 7,000 of these officers, and I think they have done their work with extraordinary intelligence. It is not altogether new work, as I have pointed out, but there were new features of it. They were doing their work under a fire of very hot criticism and I think very unfair criticism. I think every politician is a legitimate target for criticism. We can hit back, and therefore we do not mind. Not a bit. But I do think the officers have been treated very scurvily. After all, they cannot answer. It is

They have done their work with very great intelligence and with considerable industry. I quite understand that a local landowner would rather not supply information about his property to a near neighbour. I can quite understand that, I quite appreciate that, and I sympathize with that view. In some cases it is just possible that an owner may be asked to supply information about a house or a piece of land to a rival. Well, now, I think the demand which has been put forward here by several speakers that the landowner who has the option, at any rate of making his return to the district valuer or superintendent is a perfectly legitimate one. We have already recognised that, as Mr. Martin has already said. I don't think the public are fully aware of the instructions which have been given upon this point, and I take this opportunity of giving a fuller publicity to it. On that point I am very glad



(By kind permission of the WESTMINSTER GAZETTE.)

"THE FOURTH FORM BOY."

HEAD MASTER: *You'll find your fourth form work quite easy, my boy, if you'll only give your mind to it, and not lose your temper. If there is anything you don't know, say so!*

part of the tradition of the service that they should not rush into print. I know perfectly well that newspapers have approached them and have asked them their views. If they had responded, they would have broken one of the most honoured traditions of the service, which keeps all public officials out of controversy. So much is that so that during the two or three years I was at the Board of Trade I did not know who was a Liberal and who was a Conservative. I could not discover it, and I assure you that my successor there finds the same thing. It is one of the most honoured traditions of the public service, and I think it has been extraordinarily hard that all these bitter attacks should have been directed against them. I do not mind attacks against myself. I am here to be attacked, and I do my best to give just as good as I get. We have got 7,000 of these gentlemen, and I think on the whole they are very excellent public officials.

to be able to meet the very legitimate suggestions which have been put forward.

THE QUESTION OF EXPENSE.

I come now to the question of expense. With regard to the question of expense, when you are filling up forms for the first time, I agree there are a good many people who are afraid of Government forms, who do not quite trust their own skill in the matter, and who would rather resort to expert advice. Mr. Johnson, representing the profession to which I have the honour to belong, very naturally said that it was quite impossible to fill up the forms without the aid of a lawyer. (Laughter.)

Mr. JOHNSON.—Or a surveyor, or both. (Laughter.)

Mr. LLOYD GEORGE.—Honestly, I do not think so; I do not, really. There are a vast number of these forms that have been filled without the aid of a lawyer. I have gone through these

forms, and I do not really see what there is that a man could not answer without the aid of a lawyer—I will come to the question of easements in a moment. Surely a man can give his Christian name and surname. He can say whether his property is leasehold, copyhold, or freehold. I should not think there was much difficulty in that. He can say the precise situation of the land; he can say what description the land is, whether it has on it a house, stable, shop, or farm; it does not require any legal knowledge to state that; he should be able to say what length his lease is. I do not mean to say every man does know. I think one of the most extraordinary things that has been elicited by this agitation is how little men know about property which they possess. I think that if you ask most leaseholders "How many years have you got to run under the lease, and what are the conditions under which you hold your property?" you would find that many of them have never taken the trouble to obtain information which I thought would be vital. If they had there would have been no difficulty at all in answering the questions. It is because they have not done so that there has been some difficulty. I should not have thought that a local tradesman would have had any difficulty in stating the length of his lease. The only difficulty would be whether there were any easements over his property. I agree that when you put the word in that form he may say, "I do not know what you mean by 'easements.'" It is a legal term well known to the profession, but not to the average small property holder. I have not the faintest doubt there may be rights of way which cause trouble, and I do not think it fair to ask a man to commit himself on that subject; for by so doing you ask him to make an admission which might be used against him. But there are rights of way about which there is no doubt. Surely a man knows if there is a right of way from one high road to another on his property. Take the question of ancient lights. I agree you cannot always state whether your neighbour has acquired a right of light. If you do not you are not bound to answer, but there are some cases where the thing is established. In this case the man would know it; therefore I really do not think there is all that difficulty in answering this question. He is only bound to answer what he knows. What he does not know he is not bound to try to express—especially if it is an intricate legal point. With regard to expenses, all I have to say is this. After all, this is a tax for the purpose of raising money. The taxpayer the first time he fills up these forms experiences great difficulty.

THE FORCE OF HABIT.

Income-tax forms are not very easily filled up, and on the first occasion one might, perhaps, have to get advice from some one as to how it is done. But landowners will get as accustomed to these forms as they are now to Schedule A. They do not get advice to fill up Schedule A. They do not require to consult a solicitor about that, and yet it is substantially the same information that is asked there. And therefore I am afraid it would be quite impossible for me to give a sort of blank cheque to the landowners in the country to defray the expenses of their solicitors for filling forms asking information about their property which really they themselves possess. I cannot imagine a man parting with his deeds to a mortgagee without knowing what the deeds mean, or without obtaining some information about his property and the full particulars of it. What we are simply asking for is just the main details of information about the ownership which he ought to have in his possession, and which he ought never to part with. The man ought to know all those things about his property, and I should have thought that there would have been no difficulty at all. With regard to the suggested schedule, I understand the position is that where a man has got a hundred cottages he should fill up one form and that he should deal with the others in the form of a schedule. I really do not see that there is any objection to that. I think there is a great advantage in it—if the property is all of the same character, held under the same title, and particulars are the same. I do not see any difficulty about it. On the contrary, I should say it is very helpful not merely to the landowner, but also to the Inland Revenue Department. I am exceedingly obliged to you for your attendance here to-day.

LORD CURZON'S DEFENCE OF LANDLORDISM AND THE HOUSE OF LORDS.

Speaking at the coming of age celebrations on behalf of Lord Newton's heir, the Hon. Richard Legh, on September 14th at Lyme, Disley, Cheshire, Lord Curzon said:—

They were living in times when a good deal of obloquy was directed against territorial magnates; and the land-owning

classes were sometimes treated even in high quarters as if they were guilty of some abominable crime, and when the peers were a target for a good deal of petty invective and abuse. "Well," continued Lord Curzon, "I don't say that the landowners of the country are above reproach any more than members of those other classes whose wealth is invested in other and perhaps less taxable commodities. I don't say that the peers of England have always been absolutely spotless, any more than the commoners have been, or are now; but what I do say is this, that the landowning class of this country have during a period of many centuries exhibited a sense of responsibility and a spirit of duty which are not excelled, even if they are equalled, in any other country in Europe, and have become the envy of other nations.

As regards the peers of England, whether you look at them as legislators or in their local capacity, I think that on the whole they have deserved well, and continue to deserve well, of their country. It is very easy to uproot old institutions. You may cut down the oldest and stateliest of trees. Any idiot in an hour's time can lay an axe at the root of the most venerable monarch of the forest. But what when that is done! Suppose you succeed.

If you have got a country without any peers possessing territorial connection, except, of course, Radical peers, of whom there would always be an abundance—when you have got no country houses in the possession of the old families, because they will have been purchased by foreign millionaires or turned into provincial museums; when you have got no great parks, because they will all have been cut into allotments; when you have got no elder sons, because everybody will be a younger son—in those days, when you have got no landlords and tenants, because everyone will be squatting in impoverished isolation on his own little plot of ground, just like a stork standing upon its nest, when you have got this state of affairs, will you have a happier, more contented, more prosperous, and better-to-do England than you have now? I doubt very much whether that will be the case.

I am one of those who think that the ancient institutions of the country have contributed very greatly to the prosperity of our country, and I hold that the landed aristocracy and squirearchy have not played an ignoble part in contributing to its stability and strength. We may be told that bad times are in store for us. I do not know whether that will be the case; but of one thing I am sure, that whatever fate lies before us, the territorial magnates, the landowners of England, will in the future as in the past, keep the flag flying and play the game. Theirs is a great power and a great responsibility. Theirs, also, is a great and unending duty as long as life is within their bodies.

STATEMENT BY SCOTTISH LANDOWNERS ON FORM IV.

A special general meeting of the Scottish Land and Property Federation was held in Dowell's Rooms, Edinburgh, on September 22nd—Sir Robert Dundas of Arniston presiding. The meeting was called for the purpose of considering how best to deal with the land values returns under the Finance Act, 1910, especially Form IV. There were about 200 members, including lawyers, surveyors, and factors, present. The meeting was held in private, but at the close the following communication was made to the Press:—The committee and a special sub-committee of the Federation had been engaged in considering how their organisation might be made of service to the members in connection with the difficulties raised by the demand for returns under Part I. of the Act. The meeting endorsed the opinion of the committee that it was desirable, without taking technical objections, to endeavour to find some satisfactory method of answering the questions put by the Inland Revenue in Form IV. The committee had proposed that an explanatory memorandum of advice and guidance should be issued to the members of the Federation, which might help them in making returns, and that arrangements should be made by which members in difficulty should be able to obtain advice and guidance with regard to any special point which they might wish to submit. Questions of practical import and general interest and matters of special difficulty were brought forward by members present, and were discussed. The meeting considered the questions in Form IV. in considerable detail, and it was generally recognised that the issue of a memorandum and the establishment of arrangements for giving advice, as suggested by the committee, were desirable, and the committee were accordingly asked to give effect to their suggestions in that regard. A memorandum will at once be issued, and arrangements made for supplying information to members.