

force down wages to subsistence level? The Liberal Party proclaimed long ago that the way out of the housing problem was to exempt improvements from taxation, the way out was to levy rates and taxes on the value of land whether it was used or not. Sir Donald MacLean, as a Liberal leader, believes in and supports that policy. But some explanation is wanted of his failure not once, but repeatedly, to expound the case or show any understanding of its importance.

The Results of the Valuation.—The Chancellor of the Exchequer, following the attitude adopted by the Select Committee on Expenditure, informed Mr. Raffan in the House of Commons on 10th August that to compile the totals of the Valuation records would require the employment of 200 extra clerks for a year and an expenditure of £40,000. The valuation is uncompleted; it is partially made on a basis declared to be illegal by the Courts, and it dates from ten years ago. In the circumstances, the Chancellor said, the results to be obtained by adding up the totals were not worth the labour and expense involved.

The court case referred to is that in which decision was given that grass ought to have been treated as an improvement, and its value should have been deducted in order to arrive at the full site value of land. The decision had reference only to agricultural land, and it is only the value of such land that may be considered as on a "wrong and illegal basis." But the nature of the valuation in such cases has no relation to the request made by Mr. Raffan. The decision of the Court, and the fact that many provisional valuations have not been settled, provide no excuse for refusing to tabulate such figures as have been recorded in the complete survey which the Valuation Department has made. The Government have been able to publish the aggregate "total value" of all the land in Great Britain. If they can give the figures of that value, they can equally well publish the aggregate of the "gross value," the "full site value" and the "assessable site value," leaving it to be understood that the figures are simply a report of the work of the Valuation Department, and are subject to such considerations as both the Expenditure Committee and the Land Value Duties Committee have discussed. The truth is that the Government have shown an exceptional regard for economy, not for the sake of saving expense, but because they dare not allow revelation of the figures, and are determined to prevent anything that is likely to challenge the interests of landowners or provide argument in favour of Land Values Taxation.

Local Authorities and Land Value Rating.—The demand for the information should be renewed. The expense is neither here nor there. It is a ridiculously small sum compared with the value of the facts to be disclosed. If it costs £40,000 for the whole country, what will it cost for Manchester or for Glasgow or for Bradford, or for any separate area? The greater municipalities have recently revived the agitation for Land Value Rating in resolutions calling on Parliament to amend the rating Acts. Before Land Value Rating could be adopted, a valuation separating land from improvements must be established and inscribed in a new column on the assessment rolls. The demand for

power to rate land values should now be linked up with this question of valuation. The first step is to procure for each area the results of the records already made, and if the greater municipalities join in requesting the Government for these results, *offering, if need be, to pay the expense of making up the totals*, we cannot see how the Government could persist in their refusal. The next step, for which the municipalities could also make themselves responsible, is to require the Government to revise the valuation in each local area and bring the values up to date. Any Parliamentary hostility to such a proposal, which could be only made on the score of expense, unless the healthy spirit of local self-government is to be treated with contempt, could once more be countered by a simple undertaking to pay all the costs of the District Valuers' services. The grievance against the injustice of the present rating system, with its penalties on trade and industry, is now becoming one of the main issues in municipal politics. The local authorities have a clear remedy, and the growth of opinion in favour of reform could bring very influential forces to bear upon Parliament, demanding the power to rate land values and tabling a Bill in which provision would be made for setting the District Valuers of the Valuation Department to work on the lines we have indicated. Resolutions too often merely express a pious belief in certain principles. If action is to follow, let the municipalities proceed as the Glasgow Corporation did in 1905, with a Land Value Rating Bill introduced by the municipalities themselves. In those days there was no valuation, but slow as progress has since been, we have at least advanced a stage. A valuation has been made, defective no doubt in many respects, and all that is necessary is a revision which, with determination, could be speedily and effectively carried out.

Preserving the Records.—The Chancellor of the Exchequer was good enough to say that the Valuation records, made in respect of each piece of land and filed at the District Valuers' offices, would be preserved. The Government have not gone the length of deciding to destroy the documents and so make a complete job of their repeal of the 1909 Budget legislation. The information thus kept under lock and key will eventually serve its proper purpose. Meantime it is likely to be used only where evidence of value is required should this or that piece of land be wanted for some housing or smallholdings scheme; and the evidence will be admitted even though the valuation is only "provisional," even though it is on a "wrong and illegal" basis. It will be used time and again to defend the price paid for land which is bought at "market value," but no attempt is to be made to discover what is the aggregate value of the land as a possible basis of taxation. Mr. Raffan asked for the totals of the figures to be found in the Valuers' Field Books. Although he asked in vain, it is as well to know what kind of information would have been secured by the employment of a temporary staff of clerks for not more than a year. It is a most comprehensive record.

A Domesday Book.—A specimen page from the Field Books was printed with the evidence submitted to the Select Committee on the Land Values Duties, and columns 8 to 39 show:—

The GROSS ANNUAL VALUE and the RATEABLE VALUE for purposes of Poor Rate;

The ORIGINAL GROSS VALUE and (in order to arrive at FULL SITE VALUE) the deduction for buildings and other structures including machinery; timber; fruit trees, fruit bushes and other things growing on the land;

The ORIGINAL FULL SITE VALUE and (in order to arrive at TOTAL VALUE) deductions for fee farm rent, rent seek, quit rent, chief rent or other rent of assize; other perpetual rent or annuity; tithe or tithe rent charge; burden or charge arising by operation of law, or imposed by Act of Parliament; cost of enfranchising copyhold; public rights of way or user; rights of common; easements; restrictions under covenant or agreement;

The ORIGINAL TOTAL VALUE and (in order to arrive at ASSESSABLE SITE VALUE) deductions for works executed; capital expenditure; appropriation of land; redemption of land tax or fixed charges; enfranchisement of copyholds; release of restrictive covenants, goodwill or personal elements; cost of clearing site;

The ORIGINAL ASSESSABLE SITE VALUE (OR ORIGINAL CAPITAL VALUE OF MINERALS);

The VALUE OF AGRICULTURAL LAND where different from Assessable Site Value.

Here is a veritable Domesday Book. It is replete with information which the Government now refuse to disclose. It is a record, made once for all, which being in existence would enormously facilitate any new Valuation showing the value of land as it is now, instead of the value as it was in April, 1909; and the revision would be all the simpler, since those hybrid conceptions called "total value" and "assessable site value" would not be required in establishing a basis for Land Values Taxation. These standards of value were only necessary for the levy and collection of the intricate and absurd Land Value duties, which are now thankfully out of the road. We can imagine nothing more reasonable than that Glasgow or Bradford or Cardiff or Manchester should urge the Government to produce the totals of all these columns for each separate area, and give instructions to the Valuers to make a fresh assessment so that the municipality should know what is the land value of each property in its area and, in terms of resolutions repeatedly adopted, proceed to levy rates upon that value.

Justification from Canada.—Interesting reading is provided in the report of the annual meeting of the Hudson's Bay Company, which took place on July 30th at the City Terminus Hotel, Cannon Street, London. The Governor, Sir Robert Kindersley, had much to say about the position of the Company as landholder and taxpayer. His remarks should be considered in the light of the recent great progress with Land Values Taxation in Western Canada. Municipal taxes are everywhere levied on the market value of land, whether it is used or not, improvements being exempted either in whole or in part. In Manitoban cities and towns, improvements are not taxed at more than 60 per cent of their value; in Alberta, Saskatchewan, and British Columbia, improvements are exempted to at least 60 per cent and in many cities and towns they are taxed much less or not at all. Throughout the Western Provinces all rural municipalities, with few exceptions,

tax on land values only. As to Provincial as distinct from local taxation in Manitoba there is a $\frac{1}{2}$ per cent tax, and in Alberta and Saskatchewan a 1 per cent tax, on the value of idle land. In the organized portion of British Columbia the taxation of land and improvements has been handed over to the municipalities; in the unorganized portions, the land and improvements are taxed $\frac{1}{2}$ per cent; unimproved lands and timber, mineral and coal lands not in use are taxed higher rates than lands of the various classes which are under development. The adoption of the idle land tax in Manitoba and the changing of the same tax in Saskatchewan from a flat rate of 6 $\frac{1}{2}$ cents per acre to a 1 per cent tax on value took effect in the year 1918-19.

So much by way of preface to Sir Robert Kindersley's remarks. The sequel shows what has been the experience of the Hudson's Bay Company, one of the biggest landowning concerns in the world, under the operation of quite a moderate dose of Land Values Taxation.

The Hudson's Bay Co.: its Land and its Taxes.—

In 1910 the Company held 4,053,000 acres, and payments on account of land taxation in that year were £56,970. In 1919-20 the holdings had been reduced to 3,006,000 acres, and the taxes on land value had increased to £255,000. In the intervening period town lots to the value of £904,000 had been sold and the Company still holds town sites assessed for taxation at roughly £2,000,000. "Taxation on our lands," said Sir Robert Kindersley, "is heavy, very heavy . . . on farming lands it amounted this year to £189,825. . . . Town lots are simply a burden, and a big one, on our resources, as the taxes on them amounted to £65,381, while the cash receipts were only £22,428."

The pressure of taxation on idle land has obliged even such a wealthy corporation as the Hudson's Bay Company either to develop the land itself or to let the land go to those who will develop it. The game of land speculation is at an end. In Edmonton, Alberta, the Company has decided to build. Sir Robert Kindersley said:—

This development of our own land ourselves is a new departure on the part of your Company, but your directors are convinced that it is a practice to which we shall have to resort increasingly in the future.

Your directors are now considering how this development can best be carried out on a large scale, and it is possible that we may call our shareholders together in the near future to put certain proposals before them, which are now under the consideration of the board.

Sir Robert read to the meeting the following cable received from the Company's Land Commissioner:—

Energetic efforts are being made to dispose of town site holdings at reasonable prices. New organization has been provided to this end. Town site taxes will be somewhat heavier.

Thus, under the operation of Land Values Taxation with improvements taxed but little or not at all, valuable land comes into use, and in Edmonton there will be an increase in the supply of house and business accommodation; not even the Hudson's Bay Company can "pass on" the Land Value Tax in higher rents or prices. Rents and prices, instead of being increased, will be reduced.