

LAND & LIBERTY

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Editorial Offices:

11, TOTHILL STREET, LONDON, S.W.1.

All communications to be addressed to the Editor.

Telegrams: "Eulav, Vic, London." Telephone: Victoria 7325.

Here are two simple principles, both of which are self-evident:

I.—That all men have equal rights to the use and enjoyment of the elements provided by Nature.

II.—That each man has an exclusive right to the use and enjoyment of what is produced by his own labour.

There is no conflict between these principles. On the contrary, they are correlative. To secure fully the individual right of property in the produce of labour, we must treat the elements of Nature as common property.—Henry George: "Protection or Free Trade," chapter 26.

THE LAND VALUATION

The Work of the Valuation Department and its Future Functions

Clause 49 of the Finance Bill repeals the Land Value Duties of the 1909 Budget, stops the Valuation of the land, excuses the payment of duties in arrear, and provides for the refund of duties already paid. It was considered in Committee of the House of Commons on 14th July, and was added to the Bill by 190 votes to 68. Elsewhere we give extensive extracts from the reports of the Debate. The Land Value Duties are well out of the way. The position with regard to the Valuation and the Valuation Department is not so clear. The Valuation was begun immediately after the Finance (1909-10) Act 1910 was passed. It was to be a record of the "gross value," the "total value," the "full site value" and the "assessable site value," as on 30th April, 1909, of each piece of land under separate occupation. The work was completed, so far as that was possible, in September, 1915. The story of the obstacles the Valuation staff had to encounter has already been told in these columns—the employment of valuers on much business which was quite distinct from Valuation as such, the legal decisions in February, 1914, which vitiated the assessments and suspended the service of provisional valuations upon the owners, the disturbance caused by the war, and numerous other difficulties that interfered with the work. Despite these obstacles, the whole of the surface of England and Wales and Scotland has been valued; but owing to the decisions in the Courts many of the assessments (particularly of agricultural land) are subject to legislation which would make them legal; and many have still to be served upon the owners, giving them the opportunity of appeal or agreement, before they become finally established. The Valuation Department cannot therefore be said to have finished the task imposed upon it, although the valuers have fully covered the ground and have made their record of values in almost every case.

Stopping the Valuation

It is not that the Valuation has been "scrapped." That would be impossible without deliberately destroying all the records. The repealing clause refers to the obligation of the Commissioners, and declares that the

obligation "to cause a valuation of all the land in the United Kingdom shall cease." This can only mean that the original Valuation—of the values as on 30th April, 1909—shall not proceed further than the stage it reached in September, 1915. The clause simply relieves the Commissioners of Inland Revenue of the task of finishing the Valuation, in the sense of serving the valuations, thus far provisionally made, upon the owners and having them finally agreed. It leaves the assessments of agricultural land, which had become final before February, 1914, and which treated grass as a part of land and not (as the Courts decided was the proper course according to the Act) as an improvement, in a condition which is technically illegal. But the records stand, whether the Valuation Department is right or wrong in its interpretation; and although for the present they cease to have any object for purposes of taxation, they should be published so that the country may know what has been the result of all this work.

The Department to Continue

The Chancellor of the Exchequer announced that every sale of land or transfer of interest in land shall be made known in future, as in the past, to the Valuation Department and the particulars shall be recorded at Somerset House. He said that the Valuation Department has a great deal of work to do wholly unconnected with the levy of the Land Value Duties, and that, although the staff will be reduced, the Department itself shall be maintained and the Government propose to maintain it.

The retention of the Department keeps the machinery in being, but it will not function as it has done heretofore. Particulars of sales, leases and transfers of property will be recorded, apparently without any departmental valuation of the land apart from improvements. Certainly, in terms of Clause 49 of the Finance Bill, there will be no periodic valuation of undeveloped land and no periodic valuation of land belonging to corporations, which had to be made for the levy of Increment Value Duty. The opportunities provided to the Department by the transactions in the market and by the occasions for valuing land from time to time (whereby the value of about 4 per cent. of the total area of land was revised each year) will now disappear. It is in this sense that the Valuation will be stopped. The important details needed for the revision of the original record, when the time comes to use it, will not be assembled. The Department remains it is true; but it is shorn of any official obligation to assess land apart from improvements. Except for its work in connection with valuation for estate duty, it becomes merely a land registry and a sort of appeal court for the Government or the local authorities when land has to be acquired for public purposes.

Publishing the Results

Mr. Raffan obtained a promise from the Chancellor of the Exchequer that if a question was put down as to the aggregate values disclosed by the Valuation, the matter would be looked into and the information would be supplied in due course. The Chancellor doubted whether the information could form the basis of any argument because so much is still in dispute, so much of the Valuation is declared by the Courts to have been made on a wrong basis, and so much is not agreed, and therefore not finally settled. Of course, the Chancellor cannot give anything more than the record so far compiled by the Valuation Department, and nothing more is required. The final settlement of the valuations and the revision of the Court decisions are now unfortunately outside the scope of the discussion, and they have no bearing on the question as to what are the values which

the Department has placed on the land. We already have the aggregate of the "total value" of the land—that hybrid mixture of land value and building value which excludes rights of way, rights of user, restrictions, rent charges, tithes, chief rents and feu-duties, but includes ground rents. It was a stroke of genius on the part of the Inland Revenue Commissioners to publish the statistics only of the "total value" and thus to give information which only bamboozled the public. It is of no interest to know that the aggregate "total value" is 5,268 or any number of million pounds, or that it is so much per acre here or there. The figures convey no idea of land value or improvement value.

The point is now to press the Government for the promised return showing the aggregates not only of the "gross value," "full site value," "total value" and "assessable site value"; but also the aggregates of *all the values*, including rateable value and the value of improvements, of fixed charges and of all the various deductions made in the process of valuing each property. These records are fully set forth in Columns 8 and 9 and Columns 15 to 39 of the Valuers' Field Books, and they have been preserved in the District Valuers' Offices. Each separate column should now be aggregated in such manner as to show what the totals are in England, in Wales, in Scotland, in a number of representative cities and counties, or better in every local governing area. It is, as Mr. Raffan said, a most unsatisfactory state of affairs that something like £2,000,000 has been spent on the Valuation and yet, through not engaging a number of clerks, the Government themselves and everybody else are in perfect ignorance of what the general result has been.

The Cost of the Work

A criticism levelled at the Valuation is that it has been a very costly business and out of all proportion to the revenue yielded by the Land Value Duties. The figure of £5,000,000 has been bandied about by those who are opposed to any proposal for separating land value from improvement value, and it was repeated by Mr. Chamberlain himself—£5,000,000 spent on valuation and the product of the Duties (including arrears) was not more than £1,800,000 in five years. Thus we get the suggestion of waste and folly.

To this criticism two things must be said. Firstly, the Valuation has not cost £5,000,000 or anything like that sum. Sir Edgar Harper, the Chief Valuer, discussed the matter in the evidence he submitted to the Select Committee on the Land Value Duties, and this is his considered opinion:—

It is often assumed that the total expenditure on the Valuation Office is the same thing as the cost of the original valuation, but this is obviously not the case. The cost of all the following duties discharged by the Valuation Office is included in the former, and should be excluded from the latter:

- (a) Undeveloped land duty assessments.
- (b) Reversion duty valuations.
- (c) Other occasion valuations.
- (d) Estate duty valuations.
- (e) Voluntary conveyances—valuations for stamp duty.
- (f) Valuations in connection with old age pensions.
- (g) Determining compensation for the extinction of redundant liquor licences.
- (h) Determination of annual licence values.
- (j) Determining monopoly values.
- (k) Work done for other Departments (Admiralty, War Office, Ministry of Munitions, Housing Sites, Land Settlement, etc.).

No exact record has been kept of the proper proportion of the total cost of the Valuation Office to be allocated to these services, but a reasonable estimate would be 33½ per cent. during the time the original valuation was in progress.

The aggregate cost up to September, 1915, including the estimated charges borne upon the Votes of other Departments,

was £3,025,550. Deducting 33½ per cent. as accounted for by other services, leaves a sum of £2,017,034 as the approximate cost of the original valuation.

Dealing with the cost in detail it will be found that the figures work out as follows:—

10,585,586 hereditaments were valued at an average cost of 45·73 pence each.

Alternatively:

56,144,309 acres were valued at a cost of 8·62 pence per acre.

The cost of the original valuation was very considerably increased by the special difficulties which had to be surmounted before the actual valuations could be made.

Sir Edward Harper rightly distinguishes between the expenditure incurred by his Department on its multifarious duties and the *cost of the original valuation*, which worked out at only 3s. 9½d. per hereditament and only 8·6d. per acre. It has cost two millions to initiate a great undertaking and one should compare that sum, not with the produce of the pettifogging Land Value Duties, but with the thousands of millions of land value and improvement value which were assessed by the Department and the revenue it was *possible* to obtain, after separation, by means of taxes and local rates levied on land values alone.

Secondly, it must be observed that to make such a valuation for the first time, and to drive a way through all the complexities of our ancient land tenure, necessarily involved a large initial expenditure. The original record once made, the annual or quinquennial revision would be a cheap and easy task, as it has proved to be wherever cities and communities make the separation of land from improvements, whether they do or do not impose a distinct tax or rate upon the value of land. For instance, in New York City, where the value of land (apart from improvements) exceeds 1,050 million pounds and where the city taxes on land and improvements exceed 40 million pounds, the annual cost of valuation and collection is only £115,590. The annual cost represents only 0·29 per cent of the revenue and less than 110 millionths of the land value recorded by the valuation. Those who attempt to hold up the cost of the British Valuation to derision forget the purpose for which it was intended (and will yet be used); and they should be reminded that we are spending, not in five years, but *every* year, the vast sum of £10,000,000 to sustain the Inland Revenue and the Customs Departments, whose tens of thousands of officials are enforcing the collection of penalties of the worst description on the business and trade of the country.

A. W. M.

AN IRISH COMMONWEALTH

By Dalta

To a large extent Irish history has been the story of the people's struggle against the blighting wrong of landlordism. Their strength to resist conquest, and the success which they had in maintaining their freedom against organised force, came largely from their tradition of a free and just land system, and their undying attachment to their ancient rights in the soil. The recovery of national rights must be completed and secured by the restoration of the land to the people.
From Chap. II.

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