

# R E P O R T

FROM THE

## SELECT COMMITTEE

ON

# IRISH VALUATION ACTS;

TOGETHER WITH THE

## PROCEEDINGS OF THE COMMITTEE,

AND AN

## A P P E N D I X.

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*Ordered, by The House of Commons, to be Printed,*  
18 April 1904.

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1904.

IRISH VALUATION ACTS.

[8th March 1904]:—Irish Valuation Acts,—*Ordered*, THAT a Select Committee be appointed to inquire and report what changes in the Irish Valuation Acts are desirable in order to enable a re-valuation of rateable property in any district to be made on a basis equitable to all classes of ratepayers, and to be brought into force in an effective manner.

The Committee was accordingly nominated of,—

Mr. Clancy.  
Sir John Colomb.  
Mr. Charles Craig.  
Mr. Joseph Devlin.  
Mr. Charles Douglas.  
Mr. Duke.  
Mr. Goulding.  
Sir James Haslett.

Mr. Hemphill.  
Mr. Lee.  
Mr. Lough.  
Mr. William M'Killop.  
Mr. W. J. H. Maxwell.  
Mr. Graham Murray.  
Mr. Randles.

*Ordered*, That the Committee have power to send for persons, papers, and records.

*Ordered*, That five be the Quorum.—(Sir Alexander Acland-Hood.)

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## R E P O R T.

THE SELECT COMMITTEE appointed to enquire and report what changes in the IRISH VALUATION ACTS are desirable in order to enable a Re-valuation of Rateable Property in any District to be made on a basis equitable to all Classes of Ratepayers and to be brought into force in an effective manner;—HAVE agreed to the following REPORT:—

The Special Committee directed to enquire into the above matters was appointed in the year 1902, was again appointed in 1903, and has been re-appointed in the present year.

At the outset the Committee found that considerable materials for the matters under consideration already existed in the evidence taken before and Reports made by the Royal Commissioners on Local Taxation. In particular, they would refer to the Special Report by those Commissioners on the system of Valuation in Ireland presented in the year 1902. There were also various statements as to the Law upon the subject handed in to the said Commission to which reference will afterwards be made.

Cd. 793.

That Report contains a concise and accurate statement of the history of the legislation as to Valuation in Ireland, and your Committee think that it would be of no service to repeat what it there said. So far as necessary it may be supplemented by a perusal of the paper handed in by Sir John Barton, and printed in the Appendix of the Report of the evidence of the Committee of last year.

1902, 370,  
p. 111.

Sir John Barton, who from his position as Commissioner of Valuation in Ireland has a unique experience, was the principal witness examined by the Committee of last year. Newspaper reports of his evidence were, we believe, widely circulated after it had been given, and the Committee gave an opportunity for various representative men in Ireland to give evidence upon the subject, both with regard to the suggestions made by Sir John Barton and with regard to any views which they themselves held. The result of the examination of these witnesses has been to bring before the Committee many objections which are generally felt to the present system; but the Committee are unable to say that, with the exception of Sir John Barton, who has naturally directed much attention to the subject, they found that anyone had really formulated any particular system which he thought should supplant the present. Owing, however, to an intimation conveyed at the resumption of the inquiry last year that it was not proposed to re-value the land of Ireland, comparatively few witnesses, and those chiefly from two districts of Ireland only, volunteered to give evidence.

In considering the question the Committee were of opinion that it would be well to have before them the system of valuation which obtains in England and Scotland, and accordingly they examined Mr. Adrian of the Home Office, and Mr. Henry, the Assessor of Glasgow. Further information the system of the sister Kingdoms may be obtained from elaborate papers which were handed in before the Royal Commission on Local Taxation, and which may be found in page 1, part I, of the First Appendix Parliamentary Paper C. 8764 of 1898, and page 87 of the first volume of the Appendix to the Minutes of Evidence respectively.

The subject of the valuation of rateable property naturally divides itself into two branches. (First) the principles of valuation, and (second) the machinery by which valuation is to be effected. As regards the principles of valuation we do not think that there is much room for doubt. What is wanted to be discovered is the annual value of any hereditament, or as it is often expressed the letting value. Where there is a free market there can obviously be no test so good as the rent which is actually paid for the subjects. After arriving at this value there will then fall to be made such deductions as are necessary to be subtracted before you can arrive at the actual beneficial value as enjoyed by the owner. The words in which this principle may be expressed somewhat vary, but it is probably sufficient to quote the definitions which have been given in England, Scotland and Ireland to see that the feeling of Parliament in all cases has been substantially the same. In England for example, the most elaborated system is to be found in the Metropolitan Valuation Act of 1869. There gross value is defined as meaning "annual rent which a tenant may reasonably be expected taking one year with another to pay for a hereditament if the tenant undertook to pay all usual tenant's rates and taxes and tithe commutation rent charge, if any, and if the landlord undertook to bear the cost of the repairs and insurance and the other expenses, if any, necessary to maintain the hereditament in a state to command that rent," and "Rateable Value" was at the same time defined as meaning "the gross value after deducting therefrom the probable annual average cost of the repairs, insurance, and other expenses as aforesaid."

In Scotland the 6th section of the Act for the Valuation of Lands and Heritages provides that "in estimating the yearly value of lands and heritages under this Act, the same shall be taken to be the rent at which one year with another such lands and heritages might in their actual state be reasonably expected to let from year to year and where such lands and heritages consists of woods, copse or underwood, the yearly value of the same shall be taken to be the rent at which such lands and heritages might in their natural state be reasonably expected to let from year to year, as pasture or grazing lands: and where such lands and heritages are bona fide let for a yearly rent conditioned as the fair annual value thereof without grassum or consideration other than the rent, such rent shall be deemed and taken to be the yearly rent or value of such lands and heritage in terms of this Act, provided always that if such lands and heritages be let upon a lease the stipulated duration of which is more than 21 years from the date of entry under the same, or in the case of minerals more than 31 years from such date of entry the rent payable under such lease shall not necessarily be assessed as the yearly rent or value of such lands and heritages, but such yearly rent or value shall be ascertained in terms of this Act irrespective of the amount of rent payable under such lease \* \* \*."

In Ireland the valuation of Houses and Buildings in the Valuation Act is "the net annual value, that is to say, the rent for which, one year with another, the same might in its actual state be reasonably expected to let from year to year, the probable average cost of repairs, insurance, and other expenses (if any) necessary to maintain the hereditament in its actual state, and all rates, taxes and public charges, if any, (except tithe rent charge) being paid by the tenant.

All these definitions, though variously expressed, are obviously seeking the same result, and your Committee are of opinion that really no other principle is possible where you are dealing with valuation, which is to be the basis of rating from year to year.

So far as the application of this principle to lands and buildings in town are concerned, your Committee see no greater difficulty in applying the criterion of actual rent (or, where actual rent is either not got, or from various reasons does not represent the true annual value, the rent as supposed to be paid by the hypothetical tenant) to the circumstances of Ireland, than has been found in its application to England and Scotland.

It is however, obvious, that when you come to the question of agricultural lands, the test of the rent obtained from tenants in open market, which is a sufficient test in England and Scotland, fails in Ireland, owing to the peculiarities of the land system.

Your Committee were from the first impressed with this special difficulty, but on the practical question they have been relieved from the necessity of considering the problem, by the legislation which has taken place during this year. The Irish Land Bill has introduced a large system of land purchase, under which it is practically certain that a great proportion of the holdings in Ireland will change hands during the next twenty years.

Your Committee have no doubt whatever that while this process is going on it would be inexpedient to attempt any alteration in the valuation of agricultural land in Ireland. We feel further justified in this conclusion by the fact that Sir John Barton, who had originally made in his examination of last year certain propositions with a view to ascertaining the true annual value of agricultural land, gave it as his conclusion in the evidence which he gave this year, that in view of the Irish Land Bill, it was inexpedient to proceed further at present with the valuation of agricultural land.

1903.  
Q. 381.

For the same reason, and also because the available evidence on the subject has by no means been exhausted, we do not think it would serve any good purpose to express any opinion on the existing valuation of land in Ireland.

There are two correlative matters which as they bulk largely in the evidence of the witnesses from Ireland may be here mentioned. These are the questions of the valuation put upon licensed premises and the question of exemption.

As regards licensed premises it seems to have been the custom in Ireland to make no addition to premises in respect of the fact that those premises had secured a licence for the sale of excisable liquors, and in the new valuation in Belfast, which is still to a large extent *sub judice*, nothing seems to have excited more opposition and apprehension among the class affected than the fact that the Commissioners' valuation for the first time in Ireland puts on an addition in respect of the licence.

In this matter we concur with the Commissioners on the Royal Commission on Local Taxation, who in their final Report on Ireland, dealing with this very subject, say: "We need only repeat, as stated in our Report relating to England and Wales, that we concur in the principle that the additional value given to a building by reason of the occupier having a special privilege to carry on his trade ought to be fully taken into consideration in ascertaining what rent the hypothetical tenant would be willing to pay for the building with the privilege attached and unfettered by any agreement with the owner."

Your Committee think it clear that so far as the possession of a licence brings enhanced rent to the landlord that is a true element in the valuation of the premises, and we may add that the same principle has been universally applied without objection to Scotland. The proper distinction between enhanced value of the premises and what is merely the goodwill of the tenant was very well explained by Mr. Henry in his evidence.

Of course, in the event of the value of licences being included in the ordinary valuation, the present practice of the Government Officials who levy the licence duty of adding a percentage to the existing valuation would cease.

As regard exemptions, all the witnesses were agreed that exemptions had been, by reason of the decisions of the Court, extended much further in Ireland than they have been in England or Scotland. It is a matter of great difficulty, because whatever definition is given it is quite certain that the ultimate outcome of the application of that definition will depend upon a code of what is sometimes called judge-made law. There is much to be said for the view of some witnesses who think that exemptions ought to disappear altogether. We think, however, that in Ireland, where religious



institutions abound, that the taking away of the privileges which they have hitherto enjoyed would be met with grave opposition. The question of exemption is not at all purely an Irish question, and if the theoretically more perfect system of doing away with exemptions is to be adopted, we are of opinion that it ought to be adopted concurrently in all the three Kingdoms.

Meanwhile, however, we are of opinion that in at least one respect the law as regards exemption in Ireland ought to be altered. In England the only buildings used for public purposes which are exempt are those in the possession of the Crown, or used by its servants. In Ireland they include a much larger class of buildings and other hereditaments such as harbours for the exemption of which there is no justification. We suggest, therefore, that in this matter the law in Ireland as regards the valuation of buildings used for public, as distinguished from religious or charitable purposes, ought to be assimilated to that of England.

Turning now to the machinery by which valuation is effected, the first fact that confronts us is that the Irish system as it exists, differing in this respect from both the English and Scotch, is a centralised system, the whole business being done by a Government Department conducted by Government officials.

The first point that arises is whether the centralised system should be continued or something else should be substituted in its place. We have come to the conclusion that it would not be wise to disturb the existing system in this main feature. To those in search of a theoretically perfect system of valuation there is little to be got from the example of England, with its system of valuation differing in various parts of the country, and differing as regards the various practices.

In Scotland the system of valuation is theoretically better, and in practice works exceedingly well. But in Scotland the system, although not theoretically centralised, in practice is almost so. The Assessors who manage the whole valuation, although appointed by the local authority, to whom the first appeal against their decision lies, are quite independent of that local authority, so soon as appointed, and the temptation to take the Government Assessor is so great that in practice the large body of the Assessors in Scotland are comprised of Government officials. They meet yearly and compare notes, and it may be said that the practice in Scotland is fairly uniform.

Further, the Irish system, as it is, has worked well so far as the Department is concerned. Many of the witnesses made suggestions, but few suggested that the central department should be abolished altogether, and those who did, who recommended that Local Authorities should be the Valuation Authority, seemed hardly to realise that valuation practice at the present is a matter outside their professional experience, and undoubtedly must be entrusted to some practical person. On the whole the testimony as regards the way in which the Irish Valuation Department did its work in the past was decidedly favourable.

It is true that certain complaints bulked largely in the minds of many of the witnesses, but these, in our view, had nothing really to do with the subject matter of our investigation. They were nearly all in regard to the recent valuation of Belfast, and could really all be traced back to one of two sources, either the question of the value put upon the licences of public houses, with which we have already dealt, or the simple one that the effect of the re-valuation had been to raise the complainer's valuation—a result which probably had nothing to do with the system, but was inevitable after valuation had been allowed to get so behindhand, as has been proved to us was the case in all the Irish towns.

Taking the system as it is we proceed to consider what, in our opinion, have been shown to be the weak points of it as it exist. We think they are as follows:—

- (1) We think it is decidedly deficient in not having an automatic machinery for keeping it up to date. In Ireland alterations upon a valuation are only made upon complaint, and it has been so far as we

1902 Report,  
Adrian,  
Q. 175,  
ib. Q. 198.  
ib. Q. 177.

Report Irish  
Valuation, p. 5.

can see a practice never to alter a valuation on a building unless there has been some structural addition, although a recent case decided by the Court would probably have altered the practice in that respect. The result has been that the valuation has got very much out of date and full of anomalies. So strongly has the Commissioner felt the inequity of the situation that even in cases where he has had to make an alteration of the valuation he has not taken the true value but has had to invent a system of deductions "to make relative" not justifiable in itself but introduced from obvious equitable considerations. The consequence is that a re-valuation of buildings at least in the larger centres of population is needed in order to put affairs on a proper basis. Once, however, that that re-valuation is made, we think it would be proper to cast upon the valuation authority the duty of reconsidering the valuation list every year, and making such alterations as may be necessary, quite apart from the question of whether attention is called to them or not. This does not, of course, mean that alterations would be made every year. The system in this respect works smoothly in Scotland, and alterations upon valuations once fixed are few and far between, unless there are actual changes on a particular subject, or such a general rise in the value of a particular neighbourhood as to make it inequitable that in a question with other neighbourhoods it should remain at the value originally fixed.

Henry,  
1902, Q. 520.

*ib.*, Q. 534.

(2) We think that under the present system there is a want of proper notice given to those whose valuations are altered. The lists are exposed but we think that in every case where a valuation is altered from what it has been before the persons affected should be given a personal notice so that they may have a proper opportunity of trying to make good their own case, if they consider themselves aggrieved, by representations to the valuation authority. We also think that in case of dispute such persons should be shown how the valuation is arrived at.

(3) We think that there is a want of local co-operation necessarily caused by the wholly centralised character of the present system. At the time of the passing of the Valuation Act there was, of course, no system of organised Local Government in Ireland, but that state of affairs has now changed, and we are of opinion that it is not conducive to a proper appreciation of the system if the Local Authorities consider, as they do at present, that the whole work of valuation is performed by a Department which is stranger to them, and without advice or assistance on their part. We are accordingly of opinion that there should be as close an association of the Local Authority as is consistent with what we have said in regard to the maintenance of the Central system of valuation. Various suggestions were made to us, none of which we are able altogether to accept. Some are inconsistent with a central system, and others, such as, *e.g.*, the appointment of a jury for valuation purposes, seemed to us inconsistent with a proper comprehension of what is the true work of valuation.

We are, without prescribing any particular method, inclined to think that the object could be best effected by the appointment of a small Valuation Committee, say of two or three members of the Local Authority, whose functions would be (1) To have ample access to the Commissioner's Department so as to make any suggestions as to original valuations; and (2) to sit as Assessors to the Chief Commissioner on Appeals which are taken to him, the opinions of such assessors in case of difference being recorded.

There will necessarily be, as at present, a further appeal. Considerable objection has been made to the Appeal as at present existing, to the Recorders or County Court Judges as a Court, which it is said is too busy to entertain the subject, and not very suitable at any time. It is, however, difficult to suggest anything better. We think it is clear that an Appeal upon the merits must be to some proper judicial tribunal. Juries are unsuitable for such work, where uniformity of decision is the great desideratum. Therefore, we think that the Appeal, as at present,

should continue to the Recorders or County Court Judges, with whom, however, we would recommend the association of two assessors to be appointed by the County Borough or County Councils of the place in which the case has arisen. An Appeal would lie on a case stated on a point of law to the Supreme Court.

(4.) Under the present system of re-valuation for County Boroughs, there is the difficulty which has been experienced in Belfast as to not allowing the list to come into operation until all Appeals have been disposed of. In the case of a general re-valuation, we think the list ought not to come into operation at once, but should be deferred for a period, say, of two years; but after that period has once come, we think that in all cases a list or its alterations should take effect at once, leaving those who are successful in an Appeal to be indemnified in respect of any over-rating which may have been put upon them.

Some of the witnesses, while agreeing that such anomalies had crept into the valuation of buildings in Ireland as to call for a new valuation, objected to any re-valuation which would have a tendency to raise the total valuation upon the ground that imperial contributions would thereby increase and that that would be an infringement upon the state of the financial relations between Great Britain and Ireland. Sir John Barton, in his evidence, gave somewhat substantial reasons for thinking that the difference in the matter of Income Tax would be but small, but quite apart from this we consider that these considerations, even upon the assumption that such would be the result, are beyond the scope of this enquiry. If the inequity of the financial relations of Ireland to Great Britain be assumed, we think it is obvious that the correction lies in a graduation of the tax or taxes, but not in an attempt to put the system of valuation on any other than its only true basis.

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# PROCEEDINGS OF THE COMMITTEE.

*Wednesday, 16th March 1904.*

## MEMBERS PRESENT:

Mr. Hemphill.  
Sir James Haslett.  
Mr. Clancy.  
Mr. Randles.

Mr. Graham Murray.  
Mr. William M'Killop.  
Mr. Charles Douglas.

Mr. GRAHAM MURRAY was called to the Chair.

The Committee deliberated.

[Adjourned till Thursday, 14th April, at Eleven o'clock.

*Thursday, 14th April 1904.*

## MEMBERS PRESENT:

Mr. GRAHAM MURRAY in the Chair.

Mr. Clancy.  
Mr. Craig.  
Mr. Goulding.  
Sir John Colomb.  
Mr. Lee.

Mr. Randles.  
Mr. Lough.  
Mr. William M'Killop.  
Mr. Joseph Devlin.  
Mr. Charles Douglas.

DRAFT REPORT, proposed by the Chairman, read the first time, as follows:

"1. The Special Committee directed to inquire into the above matters was appointed in the year 1902, and has been re-appointed in the present year.

"2. At the outset the Committee found that considerable materials for the matters under consideration already existed in the evidence led before and Reports made by the Royal Commissioners on Local Taxation. In particular, they would refer to Special Report by those Commissioners on the system of Valuation in Ireland presented in the year 1902. There were also various statements as to the Law upon the subject handed in to the said Commission to which reference will afterwards be made. Cd. 793.

"3. That Report contains a concise and accurate statement of the history of the legislation as to Valuation in Ireland, and your Committee think that it would be of no service to repeat what it there said. So far as necessary it may be supplemented by a perusal of the paper handed in by Sir John Barton, and printed in the Appendix of the Report of the evidence of the Committee of last year. 1902, 370, p. 111.

"Sir John Barton, who from his position as Commissioner of Valuation in Ireland has a unique experience, was the principal witness examined by the Committee of last year. His evidence, with the suggestions it contained, was widely circulated after it had been given, and the Committee gave an opportunity for various representative men in Ireland to give evidence upon the subject, both with regard to the suggestions made by Sir John Barton and with regard to any views which they themselves held. The result of the examination of these witnesses has been to bring before the Committee such objections as are generally felt to the present system; but the Committee are unable to say that, with the exception of Sir John Barton, who has naturally directed much attention to the subject, they found that anyone had really formulated any particular system which he thought should supplant the present.

"4. In considering the question the Committee were of opinion that it would be well to have before them the system of valuation which obtains in England and Scotland, and accordingly they examined Mr. Adrian, of the Home Office, and Mr. Henry, the Assessor of Glasgow. Further information on the system of the sister Kingdoms may be obtained from elaborate papers which were handed in before the Royal Commission on Local Taxation, and which may be found in page I., part I., of the First Appendix Parliamentary Paper C. 8764 of 1898, and page 87 of the first volume of the Appendix to the Minutes of Evidence respectively.

" 5. The subject of the valuation of rateable property naturally divides itself into two branches. (First) the principles of valuation, and (second) the machinery by which valuation is to be effected. As regards the principles of valuation we do not think that there is much room for doubt. What is wanted to be discovered is the annual value of any hereditaments, or as it is often expressed the letting value. Where there is a free market there can obviously be no test so good as the rent which is actually paid for the subjects. After arriving at this value there will then fall to be made such deductions as are necessary to be subtracted before you can arrive at the actual beneficial value as enjoyed by the owner. The words in which this principle may be expressed somewhat vary, but it is probably sufficient to quote the definitions which have been given in England, Scotland, and Ireland to see that the feeling of Parliament in all cases has been substantially the same. In England, for example, the most elaborated system is to be found in the Metropolitan Valuation Act of 1869. There gross value is defined as meaning 'annual rent which a tenant may reasonably be expected taking one year with another to pay for a hereditament if the tenant undertook to pay all usual tenant's rates and taxes and tithe commutation rent charge, if any, and if the landlord undertook to bear the cost of the repairs and insurance and the other expenses, if any, necessary to maintain the hereditament in a state to command that rent,' and 'Rateable Value' was at the same time defined as meaning 'the gross value after deducting therefrom the probable annual average cost of the repairs, insurance, and other expenses as aforesaid.'

" In Scotland the 6th section of the Act for the Valuation of Lands and Heritages provides that 'in estimating the yearly value of lands and heritages under this Act, the same shall be taken to be the rent at which one year with another such lands and heritages might in their actual state be reasonably expected to let from year to year, and where such lands and heritages consists of woods, copse or underwood, the yearly value of the same shall be taken to be the rent at which such lands and heritages might in their natural state be reasonably expected to let from year to year, as pasture or grazing lands: and where such lands and heritages are bona fide let for a yearly rent conditioned as the fair annual value thereof without grassum or consideration other than the rent, such rent shall be deemed and taken to be the yearly rent or value of such lands and heritage in terms of this Act, provided always that if such lands and heritages be let upon a lease the stipulated duration of which is more than 21 years from the date of entry under the same, or in the case of minerals more than 31 years from such date of entry the rent payable under such lease shall not necessarily be assessed as the yearly rent or value of such lands and heritages, but such yearly rent or value shall be ascertained in terms of this Act irrespective of the amount of rent payable under such lease \* \* \*'

" In Ireland the valuation of Houses and Buildings in the Valuation Act is 'the net annual value,' that is to say, the rent for which, one year with another, the same might in its actual state be reasonably expected to let from year to year, the probable average cost of repairs, insurance, and other expenses (if any) necessary to maintain the hereditament in its actual state, and all rates, taxes and public charges, if any (except tithe rent charge), being paid by the tenant.

" All these definitions, though variously expressed, are obviously seeking the same result, and your Committee are of opinion that really no other principle is possible where you are dealing with valuation, which is to be the basis of rating from year to year.

" 6. So far as the application of this principle to lands and buildings in town are concerned, your Committee see no greater difficulty in applying the criterion of actual rent (or, where actual rent is either not got, or from various reasons does not represent the true annual value, the rent as supposed to be paid by the hypothetical tenant) to the circumstances of Ireland, than has been found in its application to England and Scotland.

" 7. It is, however, obvious that when you come to the question of agricultural lands, the test of the rent obtained from tenants in open market, which is a sufficient test in England and Scotland, fails in Ireland, owing to the peculiarities of the land system.

" Your Committee were from the first impressed with this special difficulty, but on the practical question they have been relieved from the necessity of considering the problem by the legislation which has taken place during this year. The Irish Land Bill has introduced a large system of land purchase, under which it is practically certain that a great proportion of the holdings in Ireland will change hands during the next twenty years.

" Your Committee have no doubt whatever that while this process is going on it would be inexpedient to attempt any alteration in the valuation of agricultural land in Ireland. We feel further justified in this conclusion by the fact that Sir John Barton, who had originally made in his examination of last year certain propositions with a view to ascertaining the true annual value of agricultural land, gave it as his conclusion in the evidence which he gave this year, that in view of the Irish Land Bill, it was inexpedient to proceed further at present with the valuation of agricultural land.

" We are also satisfied (first) that, although probably not theoretically correct, yet practically speaking the total valuation of Irish land is not very far from just valuation, and (second) that relatively, *i.e.*, as between ratepayer and ratepayer, the valuation is approximately fair—the anomalies and inequalities which have crept into the system as applied to houses not being found in agricultural land to anything like the same extent.

" 8. There are two correlative matters which as they bulk largely in the evidence of the witnesses from Ireland may be here mentioned. These are the questions of the valuation put upon licensed premises and the question of exemption.

" 9. As regards licensed premises it seems to have been the custom in Ireland to make no addition to premises in respect of the fact that those premises had secured a licence for the sale of excisable liquors, and in the new valuation in Belfast, which is still to a large extent *sub judice*,

nothing seems to have excited more opposition and apprehension among the class affected than the fact that the Commissioners' valuation for the first time in Ireland puts on an addition in respect of the licence.

"10. In this matter we concur with the Commissioners on the Royal Commission on Local Taxation, who in their final Report on Ireland, dealing with this very subject, say: 'We need only repeat, as stated in our Report relating to England and Wales, that we concur in the principle that the additional value given to a building by reason of the occupier having a special privilege to carry on his trade ought to be fully taken into consideration in ascertaining what rent the hypothetical tenant would be willing to pay for the building with the privilege attached and unfettered by any agreement with the owner.'

"Your Committee think it clear that so far as the possession of a licence brings enhanced rent to the landlord that is a true element in the valuation of the premises, and we may add that the same principle has been universally applied without objection to Scotland. The proper distinction between enhanced value of the premises and what is merely the goodwill of the tenant was very well explained by Mr. Henry in his evidence.

"11. As regards exemptions, all the witnesses were agreed that exemptions had been, by reason of the decisions of the Court, extended much further in Ireland than they have been in England or Scotland. It is a matter of great difficulty, because whatever definition is given it is quite certain that the ultimate outcome of the application of that definition will depend upon a code of what is sometimes called judge-made law. There is much to be said for the view of some witnesses who think that exemptions ought to disappear altogether. We think, however, that in Ireland, where religious institutions abound, that the taking away of the privileges which they have hitherto enjoyed would be met with grave opposition. The question of exemption is not at all purely an Irish question, and if the theoretically more perfect system of doing away with exemptions is to be adopted, we are of opinion that it ought to be adopted concurrently in all the three Kingdoms.

"12. Turning now to the machinery by which valuation is effected, the first fact that confronts us is that the Irish system as it exists, differing in this respect from both the English and Scotch, is a centralised system, the whole business being done by a Government Department conducted by Government officials.

"The first point that arises is whether the centralised system should be continued or something else should be substituted in its place. We have come unhesitatingly to the conclusion that it would not be wise to disturb the existing system in this main feature. To those in search of a theoretically perfect system of valuation there is little to be got from the example of England, with its system of valuation differing in various parts of the country, and differing as regards the various practices. In point of fact the English system is not properly a system of valuation at all. As is pointed out by Mr. Adrian, in England the system of valuation is always determined by the statute authorising the taxation. Report, Q. 175, Q. 198.

"By a system of valuation proper we understand a valuation which is arrived at as a basis of taxation, but which has nothing to do with any particular taxing statute. The possible exception to this in England is to be found in the Metropolitan Valuation Acts, which provide for valuation for wider purposes than is done in other parts of the country, but those Valuation Acts apply only to London, which is obviously a very peculiar and unique subject, and we do not think that their provisions, with, among other things, a quinquennial re-valuation, would be at all apposite or desirable for Ireland. Report, Q. 177.

"13. In Scotland the system of valuation is theoretically better, and in practice works exceedingly well. But in Scotland the system, although not theoretically centralised, in practice is almost so. The Assessors who manage the whole valuation, although appointed by the local authority, are quite independent of that local authority, so soon as appointed, and the temptation to take the Government Assessor is so great that in practice the large body of the Assessors in Scotland are comprised of Government officials. They meet yearly and compare notes, and it may be said without hesitation that the practice in Scotland is just as uniform as it is under the centralised Department in Ireland. Further development in Scotland, as has already been said by the Royal Commission on Local Taxation, is likely to make the system rather more than less centralised. Report Irish Valuation, p. 5.

"14. Further, the Irish system, as it is, has worked well so far as the Department is concerned. Many of the witnesses made suggestions, but few had the hardihood to suggest that the central department should be abolished altogether, and those who did, who recommended that Local Authorities should be the Valuation Authority, seemed hardly to realise that valuation practice at the present is a matter outside their professional experience, and undoubtedly must be entrusted to some practical person. On the whole the testimony as regards the way in which the Irish Valuation Department did its work in the past was decidedly favourable.

"15. It is true that certain complaints bulked largely in the minds of many of the witnesses, but these, in our view, had nothing really to do with the subject matter of our investigation. They were nearly all in regard to the recent valuation of Belfast, and could really all be traced back to one of two sources, either the question of the value put upon the licences of public houses, with which we have already dealt, or the simple one that the effect of the re-valuation had been to raise the complainer's valuation—a result which probably had nothing to do with the system, but was inevitable after valuation had been allowed to get so behindhand, as has been proved to us was the case in all the Irish towns.



"16. Taking the system as it is we proceed to consider what, in our opinion, have been shown to be the weak points of it as it exists. We think they are as follows:—

"(1) We think it is decidedly deficient in not having an automatic machinery for keeping it up to date. In Ireland alterations upon a valuation are only made upon complaint, and the number of persons who are allowed to bring matters before the Commissioner are limited. It has been so far as we can see a practice never to alter a valuation on a building unless there has been some structural addition, although a recent case decided by the Court in the course of last summer would probably have altered the practice in that respect. The result has been that not only according to the testimony of everyone has the valuation got very much out of date and full of anomalies, but so strongly has the Commissioner felt the inequity of the situation that even in cases where he has had to make an alteration of the valuation he has not taken the true value as he would find if he had a clean slate, but has had to invent a system of deductions 'to make relative' not justifiable in itself but introduced from obvious equitable considerations. The consequence is that a re-valuation is needed in order to put affairs on a proper basis. Once, however, that re-valuation is made, we think it would be proper to cast upon the valuation authority the duty of reconsidering the valuation list every year, and making such alterations as may be necessary, quite apart from the question of whether attention is called to them or not. This does not, of course, mean that alterations would be made every year. The system in this respect works perfectly smooth in Scotland, and alterations upon valuations once fixed are few and far between, unless there are actual changes on a particular subject, or such a general rise in the value of a particular neighbourhood as to make it inequitable that in a question with other neighbourhoods it should remain at the value originally fixed.

Henry,  
1902,  
Q. 520.

*ib.* Q. 534.

"(2) We think that under the present system there is a want of proper notice given to those whose valuations are altered. The lists are exposed but we think that in every case where a valuation is altered from what it has been before the persons affected should be given a personal notice so that they may have a proper opportunity of trying to make good their own case, if they consider themselves aggrieved, by representations to the valuation authority.

"(3) We think that there is a want of local co-operation. At the time of the passing of the Valuation Act there was, of course, no system of organised Local Government in Ireland, but that state of affairs has now changed, and we are of opinion that it is not conducive to a proper appreciation of the system if the Local Authorities consider, as they do at present, that the whole work of valuation is performed by a Department which is stranger to them, and without advice or assistance on their part. We are accordingly of opinion that there should be as close an association of the Local Authority as is consistent with what we have said in regard to the maintenance of the Central system of valuation. Various suggestions were made to us, none of which we are able altogether to accept. Some are inconsistent with a central system, and others, such as, *e.g.*, the appointment of a jury for valuation purposes, seemed to us inconsistent with a proper comprehension of what is the true work of valuation.

"We are, without prescribing any particular method, inclined to think that the object could be best effected by the appointment of a small Valuation Committee, say of two or three members of the Local Authority, whose functions would be (1) To have ample access to the Commissioner's Department so as to make any suggestions as to original valuations; and (2) to sit as Assessors to the Chief Commissioner on Appeals which are taken to him. These Appeals are really more properly re-hearings than Appeals. While it would be inexpedient to subject his judgment to be out-voted by unprofessional members, we feel sure that an association with him of local men as Assessors in the matter would secure a very full and impartial consideration of any cases in which local feeling felt injustice was being done.

"There will necessarily be, as at present, a further appeal from the Commissioner. Considerable objection has been made to the Appeal as at present existing, to the Recorders as a Court, which it is said is too busy to entertain the subject, and not very suitable at any time. It is, however, difficult to suggest anything better. We think it is clear that an Appeal upon the merits must be to some proper judicial tribunal. Juries are unsuitable for such work, where uniformity of decision is the great desideratum. Therefore, we think that the Appeal, as at present, should continue to the Recorders, with, of course, an Appeal on a case stated on a point of law to the Supreme Court.

"(4.) Under the present system of re-valuation for County Boroughs there is the difficulty which has been experienced in Belfast as to not allowing the list to come into operation until all Appeals have been disposed of. In the case of a general re-valuation, we think the list ought not to come into operation at once, but should be deferred for a period, say, of two years; but after that period has once come, we think that in all cases a list or its alterations should take effect at once, leaving those who are successful in an Appeal to be indemnified in respect of any over-rating which may have been put upon them.

"17. One other matter we only deal with in order to put aside. Some of the witnesses while agreeing that such anomalies had crept into the valuation of buildings in Ireland as to call for a new valuation, objected to any re-valuation which would have a tendency to raise the total valuation upon the ground that imperial contributions would thereby increase and that that would be an infringement upon the state of the financial relations between Great Britain and Ireland. Sir John Barton in his evidence, gave somewhat substantial reasons for thinking that the difference in



the matter of Income Tax would be but small, but quite apart from this we consider that these considerations, even upon the assumption that such would be the result, are beyond the scope of this inquiry. If the inequity of the financial relations of Ireland to Great Britain be assumed, we think it is obvious that the correction lies in a graduation of the tax or taxes, but not in an attempt to put the system of valuation on any other than its only true basis."

Motion made, and Question, That the Draft Report proposed by the Chairman be read a second time,—put, and *agreed to*.

Paragraphs 1—3, amended, and *agreed to*.

Paragraphs 4—6, *agreed to*.

Paragraph 7 :

Amendment proposed, in line 16, to leave out all the words from the word "we" inclusive to the end of the paragraph, in order to insert the words "For the same reason, and also because the available evidence on the subject has by no means been exhausted, we do not think it would serve any good purpose to express any opinion on the existing valuation of land in Ireland."—(Mr. Clancy)—instead thereof.

Question, That the words proposed to be left out stand part of the paragraph,—put, and *negatived*.

Question, That those words be there inserted,—put, and *agreed to*.

Paragraph, as amended, *agreed to*.

Paragraph 8 *agreed to*.

Paragraph 9 :

Amendment proposed, at the end of the paragraph, after the word "licence," to add the words "We may add in reference to the new valuation of Belfast that the increase in the total of the valuation of licensed premises there is so large that it cannot be accounted for even by the addition made in respect of the licence, and the Chief Commissioner has himself admitted that the addition made by him in respect of the licences must in equity be reduced."—(Mr. Clancy)

Question put, That those words be there added.—The Committee divided :

Ayes 4.  
Mr. Clancy.  
Mr. Joseph Devlin.  
Mr. Lough.  
Mr. William M-Killop.

Noes 5.  
Mr. Craig.  
Mr. Douglas.  
Mr. Goulding.  
Mr. Lee.  
Mr. Randles.

Another Amendment proposed, after the word "licence" to add the words "and we may add that apart from licenced premises substantial reductions were actually made on the Commissioner's first valuation in regard to other important property in the valuation of Belfast."—(Mr. Lough).

Question put, That those words be there added.—The Committee divided :

Ayes 4.  
Mr. Clancy.  
Mr. Joseph Devlin.  
Mr. Lough.  
Mr. William M-Killop.

Noes 5.  
Mr. Craig.  
Mr. Douglas.  
Mr. Goulding.  
Mr. Lee.  
Mr. Randles.

Paragraph *agreed to*.

[Adjourned till Monday next at eleven o'clock.

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Monday, 18th April, 1904.

MEMBERS PRESENT:

Mr. GRAHAM MURRAY in the Chair.

Mr. Clancy.  
Sir John Colomb.  
Mr. Craig.  
Sir James Haslett.  
Mr. Hemphill.

Mr. Lee.  
Mr. Maxwell.  
Mr. Lough.  
Mr. Goulding.

Paragraph 10.

Question proposed, That the paragraph stand part of the Report.

Amendment proposed, to leave out the paragraph in order to insert the words "In this matter no proper guidance can be obtained from the experience of England or from the recommendations of the Royal Commission on Local Taxation which fail to take account of the fact that the tied system of public houses prevails in England, while the untied system is that which all but universally prevails in Ireland. Moreover, it seems all but impossible, in adding to the valuation a sum in respect of the licence, to avoid taxing good will and profits which are the subjects of income tax. But, if it be admitted that so far as the possession of a licence brings enhanced rent such enhanced rent is a true element in the valuation of the premises, your Committee think that, in view of the fact that all existing licenced property in Ireland has been acquired under conditions which excluded the imposition of rates and taxes (other than the 20 per cent. licence duty) on licences, it would be unjust to give effect to the suggested alteration in the law, except in the cases of new contracts and fresh bargains between landlords and tenants. This seems to be to some extent the view of the Chief Commissioner himself, who has admitted that he has taken 20 per cent. off his new valuation of the licences in Belfast, because of the hardship that would be inflicted by the sudden introduction, unmitigated, of the new principle of valuation; and it seems also to be the view acted on in Scotland, where no account is taken in the valuation of sums paid for licenced premises unless they are paid to the landlord."—(*Mr. Clancy*) instead thereof.

Question put, that the words from the word "In" in line 1, to the word "owner" in line 7 stand part of the paragraph.—The Committee divided:

Ayes 6.

Sir John Colomb.  
Mr. Craig.  
Sir James Haslett.  
Mr. Lee.  
Mr. Lough.  
Mr. W. J. H. Maxwell.

Noes 2.

Mr. Clancy.  
Mr. Hemphill.

Another Amendment proposed, in line 8, to leave out all the words from the word "as" to the word "element" in line 9, in order to insert the words "a house brings an enhanced rent by reason of its suitability to being a licensed house in respect of situation and long enjoyment of the privilege of a licence, that is a proper"—(*Mr. Hemphill*)—instead thereof.

Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes 6.

Sir John Colomb.  
Mr. Craig.  
Sir James Haslett.  
Mr. Lee.  
Mr. Lough.  
Mr. W. J. H. Maxwell.

Noes 2.

Mr. Clancy.  
Mr. Hemphill.

Another Amendment proposed, in line 9, to leave out all the words after the word "premises" to the end of the paragraph—(*Mr. Hemphill*).

Question, That the words proposed to be left out stand part of the paragraph,—put, and *agreed to*.

Another Amendment proposed, at the end of the paragraph, to add the words "Of course, in the event of the value of licences being included in the ordinary valuation, the present practice of the Government officials who levy the licence duty of adding a percentage to the existing valuation would cease"—(*Sir James Haslett*).

Question, That those words be there added,—put, and *agreed to*.

Paragraph, as amended, *agreed to*.

Paragraph 11.

Amendment proposed, after the word "Kingdoms" at the end of the paragraph, to add the words "Meanwhile, however, we are of opinion that in at least one respect the law as regards exemption in Ireland ought to be altered. In England the only buildings used for public purposes which are exempt are those in the possession of the Crown, or used by its servants. In Ireland they include a much larger class of buildings and other hereditaments such as harbours for the exemption of which there is no justification. We suggest, therefore, that in this matter the law in Ireland, as regards the valuation of buildings used for public as distinguished from religious or charitable purposes ought to be assimilated to that of England"—(*Mr. Clancy*).

Question, That those words be there added,—put, and *agreed to*.

Paragraph as amended *agreed to*.

## Paragraph 12.

Amendment proposed, to leave out all the words after the word "place" in line 6 to the end of the paragraph in order to insert the words "In England the work of valuation, broadly speaking, is carried on under the control of local elected authorities, and the Royal Commission on Local Taxation has recommended that it should remain under local control. In Scotland, local control is also to a large extent secured and safeguarded, for the Valuation Officer is appointed by the local authority, and that authority is itself the first court of appeal from his decision. Moreover, the practice in Scotland—and we assume that the same remark applies to the case in England—is that of friendly negotiation between the valuing officer and the ratepayer, which generally results in a mutually satisfactory arrangement, while in Ireland the actual work of valuation is made by persons who do not belong to the locality, and several of whom are not even Irishmen and the first intimation which the ratepayer whose valuation is fixed or altered receives of the result is a public notification which often does not come to his knowledge till it is too late to appeal against it. We agree with those witnesses who have said that they see no reason why what is good for England and Scotland should not be good for Ireland also, and we accordingly recommend that the English or Scotch machinery, with such modifications as Irish local circumstances may dictate, should be established in Ireland, and that the functions of the Central Valuation Department if it should not be altogether abolished should be confined to assisting the local authorities to arrive at uniformity in their decisions. From those decisions no appeal should be allowed, except to the High Court on a point of law"—(Mr. *Clancy*), instead thereof.

Question put, That the words from the words "we have" in line 6 to the word "feature," in line 8, both inclusive, stand part of the paragraph.—The Committee divided:

Ayes, 5.

Sir John Colomb.  
Mr. Craig.  
Mr. Goulding.  
Sir James Haslett.  
Mr. Lee.

Noes, 3.

Mr. Clancy.  
Mr. Hemphill.  
Mr. Lough.

Another Amendment proposed, in line 7, to leave out all the words from the words "To those," inclusive, to the end of the paragraph—(Mr. *Lough*).

Question put, That the words from the words "To those" to the word "practices" in line 11, both inclusive, stand part of the paragraph.—The Committee divided:

Ayes, 5.

Sir John Colomb.  
Mr. Craig.  
Mr. Goulding.  
Sir James Haslett.  
Mr. Lee.

Noes, 3.

Mr. Clancy.  
Mr. Hemphill.  
Mr. Lough.

Another Amendment proposed, in line 10, to leave out all the words from the words "In point" inclusive to the end of the paragraph—(Sir *James Haslett*).

Question, That the words proposed to be left out stand part of the paragraph,—put, and *negatived*.

Paragraph, as amended, *agreed to*.

## Paragraph 13.

Amendment proposed, in line 3, after the word "so," to insert the words "and might with advantage be extended to Ireland"—(Mr. *Clancy*).

Question put, That those words be there inserted.—The Committee divided:

Ayes, 3.

Mr. Clancy.  
Mr. Hemphill.  
Mr. Lough.

Noes, 4.

Sir John Colomb.  
Mr. Goulding.  
Sir James Haslett.  
Mr. Lee.

Another Amendment proposed, after the word "authority" in line 4, to insert the words "to whom the first appeal against their decision lies."—(Mr. *Lough*.)

Question, That those words be there inserted,—put, and *agreed to*.

Another Amendment proposed, in line 8, to leave out all the words, after the word "said" to the end of the paragraph, in order to insert the words "that the practice in Scotland is fairly uniform"—(Mr. *Lough*)—instead thereof.

Question, That the words proposed to be left out, stand part of the paragraph,—put, and *negatived*.

Question, That those words be there inserted,—put, and *agreed to*.

Question put, That the paragraph, as amended, stand part of the Report.—The Committee divided.

Ayes, 4.  
Mr. Craig.  
Mr. Goulding.  
Sir James Haslett.  
Mr. Lee.

Noes, 3.  
Mr. Clancy.  
Mr. Hemphill.  
Mr. Lough.

Paragraph 14.

Question put, That this paragraph stand part of the Report.—The Committee divided.

Ayes, 4.  
Mr. Craig.  
Mr. Goulding.  
Sir James Haslett.  
Mr. Lee.

Noes, 3.  
Mr. Clancy.  
Mr. Hemphill.  
Mr. Lough.

Paragraph 15.

Question put, That this paragraph stand part of the Report.—The Committee divided.

Ayes, 4.  
Mr. Craig.  
Mr. Goulding.  
Sir James Haslett.  
Mr. Lee.

Noes, 3.  
Mr. Clancy.  
Mr. Hemphill.  
Mr. Lough.

Paragraph 16.—Verbal Amendments made.

Amendment proposed, in line 15, after the word “revaluation” to insert the words “of buildings at least in the larger centres of population”—(Mr. Clancy).

Question, That those words be there inserted,—put, and *agreed to*.

Another Amendment proposed, in line 29, after the word “authority” to insert the words “We also think that it would be only fair that such persons should be shown in detail how the valuation is arrived at in each particular case of alteration”—(Mr. Clancy).

Question put, That those words be there inserted,—The Committee divided.

Ayes, 3.  
Mr. Clancy.  
Mr. Hemphill.  
Mr. Lough.

Noes, 4.  
Mr. Craig.  
Mr. Goulding.  
Sir James Haslett.  
Mr. Lee.

Another Amendment proposed, in line 29, after the word “authority” to insert the words “we also think that in case of dispute, such person should be shewn how the Valuation is arrived at”—(Mr. Lough).—Question, That those words be there inserted,—put, and *agreed to*.

Another Amendment proposed, in line 30, after the word “co-operation” to insert the words, “necessarily caused by the wholly centralised character of the present system”—(Mr. Clancy).—Question, That those words be there inserted, put, and *agreed to*.

Another Amendment proposed, in line 46, after the words “assessors to” to insert the words “but possessing equal authority with”—(Mr. Clancy).—Question put, That those words be there inserted—The Committee divided.

Ayes, 3.  
Mr. Clancy.  
Mr. Hemphill.  
Mr. Lough.

Noes, 4.  
Mr. Craig.  
Mr. Goulding.  
Sir James Haslett.  
Mr. Lee.



Another Amendment proposed, in line 46, after the word "him" to insert the words "the opinions of such Assessors in case of difference being recorded"—(Mr. Lough).—Question, That those words be there inserted,—put, and *agreed to*.

Other Amendments made.

Another Amendment proposed, in line 57, after the word "Recorders" to insert the words "or County Court Judges, with whom, however, we would recommend the association of two assessors to be appointed by the County Borough or County Councils of the place in which the case has arisen"—(Mr. Craig).—Question, That those words be there inserted, put and *agreed to*.

Paragraph as amended, *agreed to*.

Paragraph 17.

Amendment proposed, in line 5, to leave out all the words after the word "Ireland" to the end of the paragraph, in order to insert the words "We agree that it would be unjust as long as the Irish people have no control over the work of valuation in their own country, and so long as the land of Ireland is not re-valued, to make any alteration in the valuation code which might lead to an increase of Imperial taxation in that country, and accordingly, we recommend that the provisions of section 5 of the 17 Vic. cap. 8, should apply to any re-valuation of existing buildings carried out while the present centralised valuation machinery is allowed to remain"—(Mr. Clancy).—instead thereof.—Question put, That the words to be left out stand part of the paragraph.—The Committee divided.

Ayes, 4.

Mr. Craig.  
Mr. Goulding.  
Sir James Haslett.  
Mr. Lee.

Noes, 3.

Mr. Clancy.  
Mr. Hemphill.  
Mr. Lough.

Another Amendment proposed after the word "remain" at the end of paragraph, to add the words, "That pending the general re-valuation of Ireland, but especially the County Boroughs, the Imperial Tax or Income Tax should not be increased, but such deduction should be made as would prevent injustice"—(Sir James Haslett).—Question proposed, That those words be there added.

Amendment by leave withdrawn.

Paragraph as amended *agreed to*.

Amendment proposed, that the following new paragraphs be inserted in the proposed Report:

"A somewhat extraordinary incident was brought to the notice of the Committee in the evidence of Mr. O'Neill, the Chairman of the Dublin County Council. It appears that a good many years ago a re-valuation of the County of Dublin was made in anticipation of a Valuation Bill being passed into law, which, however, never did become an Act, and that the costs of this illegal operation were, with equal disregard of law, imposed on and collected from the ratepayers of the County. We are of opinion that under these circumstances it would be only just that no part of the costs of any future re-valuation of Dublin County should be borne by their successors. As to the question of cost, generally, we are of opinion that the Treasury should bear the entire expense of both the annual revision and of any re-valuation that may take place, while the present central department in Dublin is the sole valuing authority."

"We concur with the Commissioner of Valuation in the view he has expressed, that it would be very desirable, for the purpose of encouraging building and improvement of buildings—a matter of the highest importance from the point of view of the proper housing of the working classes—to give a discretionary power to the valuing authority not to insist on the full valuation of a new or improved till after the lapse of a period of years, the length of which might be fixed by such authority."

"The system of recruiting the staff of the existing Valuation Department is unsatisfactory. Most of the staff seems in the past to have been nominated and to have been imported into the localities which they were to value from other parts of Ireland and even from Great Britain. We are of opinion that this practice should be stopped, that an intimate knowledge of the condition and circumstances of the places in which they are to perform their official duties should be an indispensable requirement of their appointment, and that they should be selected entirely after an open competitive examination."

"In view of the probability of the law regarding the valuation of buildings in Ireland being changed in the near future, we think it would be obviously inexpedient that the re-valuation of

Belfast which has been commenced should be continued, and we, accordingly, recommend that it be suspended till the legislation referred to has taken place,"—Question put, that the proposed paragraphs be read a second time,—The Committee divided.

Ayes, 3.

Mr. Clancy.  
Mr. Hemphill.  
Mr. Lough.

Noes, 4.

Mr. Craig.  
Mr. Goulding.  
Sir James Haslett.  
Mr. Lee.

Ordered to Report.

# APPENDIX.

## APPENDIX No. 1.

CORRECTED COPY OF THE EVIDENCE OF MR. R. FINLAY HERON, M.A., GIVEN ON WEDNESDAY,  
17TH JUNE, 1903.

*Chairman.*

1. I THINK you are Town Clerk of the Urban District of Blackrock, County Dublin ?—I am.
2. And you hold various other offices, I think, in connection with that ?—I do—Registrar of Rock and Executive Sanitary Officer.
3. "Blackrock" is the legal designation, I believe, of the Blackrock township ?—The urban district of Blackrock.
4. Oh, yes, I beg your pardon. It was the Blackrock township ?—Originally the Blackrock township.
5. It is now the urban district of Blackrock ?—Yes.
6. Formed under the Local Government Act of 1898 ?—Quite so.
7. And succeeded the Blackrock township, which had been formed by a private Act, I suppose ?—Yes, in 1863.
8. Now what is Blackrock ? I mean what does it comprise ?—It comprises three wards, viz., Brutustown, Blackrock and Monkstown.
9. What is its population ?—Its population is 8,700.
10. And its valuation, I believe, about 46,000l. ?—Yes, the exact figures are : population, 8,759, and valuation 46,215l.
11. And where is it ?—It is on the coast, about five miles from Dublin.
12. A residential suburb, I suppose, of Dublin ?—It is.
13. What is the class of the population, roughly speaking ?—A considerable portion consists of very poor people ; but, being a residential suburb, there is a good deal of well-to-do people in it.
14. Has it any manufactories or trade in itself ?—No, practically not.
15. Then really, I suppose, most of the people that live in it are employed in some form or other in Dublin ?—Yes ; or people retired from business who have come to reside there.
16. What do you say about the present system on which property is valued for ratable purposes in Ireland ?—I approve of the statutory principle, as provided in the existing law. I think it is sound, but I think that an advantage would be gained by having local assessment committees. I have made a little table which I have here, if I may hand it in. (*Copies of the table were handed in, vide Appendix No. I.*) There are certain defects in the present system. If you look at the item on the memorandum, which is printed in red, you will see that no notice whatever is given to the persons affected ; that is, the persons the valuation of whose premises it is proposed to charge.
17. The red type, I take it, in your memorandum, means what you think particularly objectionable ?—It does. If I may explain why that is objectionable, on or before the 15th June, any person, either the Poor Rate collector, or any ratepayer, can make out a list of property which they think ought to be revised. Now, although these lists are left open for inspection in the office of the local authority, no one has any notice that they are so open. They remain there till the 27th of June, when they are forwarded to the Commissioner of Valuation, and he revises them. The result of his decision is sent down on the 1st March in the following year. Notice is then published to the effect that these lists are open for inspection ; but the people whose property is affected do not know that their valuation has been dealt with at all, and consequently they do not come in to see the lists. The result of this is, that the time for appealing—that is, from the Commissioners' decisions, which are sent down on the 1st March—has probably expired before they get any intimation that their valuations have been increased and that they had a right of appeal.
18. Now, one moment before you say any more on this. I notice that in your suggested alterations you seem to quite approve of there being a central valuation system ?—I do fully.
19. In fact, your view seems to be that the system as a whole is good, but that you would like a certain amount of local co-operation in a way that is not at present given ?—Yes.
20. And the other alterations, so far as I have glanced at them, seem to me to be matters really of detail ?—Of detail, quite so.
21. Mostly connected with giving people, whose properties are affected by changes in the valuation, proper notice so that they can defend themselves ?—That is exactly what I want to say. I may add that I am in favour of the local authorities, who have better local knowledge, making the valuations in the first instance ; of course, getting proper technical assistance from their surveyors.
22. Yes, but still your view is that the valuation itself would be carried on by the central authority ?—Yes, as a Court of Appeal.
23. But that there should be a local committee of some sort with a *locus standi* to assist, and in some cases, if possible, modify ?—I would make the Commissioners of Valuation the first court of appeal, but I would have the valuations made in the first instance by the local authorities.
24. That is rather different from what I said, and rather different from what I thought you meant. You see there might be two plans, and I want to know which you would approve. You might either make the Commissioner of Valuation with his staff responsible, as now, for the valuation in the first instance, with the addition of a local consultative committee, and, of course, there might be variations in the amount of power that you might give to the consultative committee. That would be one system ?—Yes.
25. Another system, of course, would be to make the local body entirely responsible for the valuation, and to treat the central department merely as an appeal court from the central body. That is a different thing ?—Mine is the latter view.
26. Yours is the latter view ?—Yes.

*Chairman*—continued.

27. If so, I would just like to ask you a question or two about that. In the first place, when you come to actual valuation, of course, it must be done by skilled advice in some way or other. I mean, you must have actual clerks and valuers to do it, must not you?—Well, I think the Local Assessment Committee should have the assistance of their surveyors and their Poor Rate collectors, and I think with that assistance they would probably be able to fix the proper valuation.

28. You see, suppose you had a local committee, which would be a committee of some sort of the local governing body, it would be some branch of the local governing body; they would neither have the time, nor, for the matter of that, the ordinary practical knowledge to actually go round the streets and value all the houses; they would have to take a professional man with them?—Well, it is wonderful the expert knowledge which the Poor Rate collector would get in making his rounds. Of course, as you are aware, at present it is the duty of the Poor Rate collector to return all the hereditaments which he thinks ought to be valued or revised.

29. The valuation of which he thinks ought to be revised?—Yes. I may say that in Blackrock a few years ago the Finance Committee of the Council went through the whole valuation list, with the assistance of the Poor Rate collector, and they sent up a number of cases for revision. They went very carefully—and I must say impartially, as far as I could see—into each case.

30. You see it is a very different thing for a committee to take a list or a valuation which is already made, and actually to have to create a valuation from the beginning?—Quite so.

31. That is obviously a professional job, it is not?—I think in the cases where local committees had to make a new valuation they could bring in technical assistance.

*Mr. Hemphill.*

32. Do you mean to say that where there is a new valuation, you prefer the present system to the local system?—No, I do not. I think the local committees should have power, if necessary, to bring in technical assistance if they want it; but I exclude from the local system railways, tramways, and anything of a similar character.

*Chairman.*

33. I am not asking about those; I will seek about those especially afterwards. You see, I have brought it to this, have not I—that you quite see that the local authority would have to be assisted to a large extent by professional advice, with which it would have to provide itself?—That would only be in the case of new buildings.

34. I agree; after you had once done the thing. But now look here: If you allowed each local authority to act for itself, do you think there would be a considerable want of uniformity between the valuations in different parts of the country?—Well, no; I think that if the statutory principle was carried out in each case—the principle laid down for valuation, which is a very clear one—that is, taking the letting value of the premises as the basis of valuation—the local authorities would know probably better than anybody else what the particular premises or houses would let at. I venture to think they would know that better than any officer from the Commissioner of Valuation's office.

35. Of course, I only want your opinion. You do not think the central system has the merit of uniformity?—I think it would have, in this way: Everybody who thought they were aggrieved would have the right to appeal to the Commissioner, and he would then have the power of bringing these valuations up or reducing them down on a uniform principle.

36. Very well; I think that I understand you. You interpolated a moment ago (and I think I quite understand) that all your remarks so far are with regard to ordinary houses and property, and do not apply to railways and tramways?—No, nor to manufactories.

37. What exactly do you mean by “manufactories”?—Take an instance such as gasworks. In Blackrock we have no manufactories; it would not affect us there; but take any ordinary manufactory of soap or sugar, or whatever it might be, I think these ought to be done by the Commissioner of Valuation.

38. What you are puzzling me a little with is this: Of course, railways and tramways are really valued as a concern, are not they?—They are.

39. But ordinary business premises for a manufactory are not; they are valued as “premises,” and you seem to me to be throwing manufactories out of the ordinary category into the very special category of railways and tramways?—My opinion in the matter is that a manufactory like a gasworks ought to be valued on the profit they make, just on the same principle as a railway would be.

40. That is a considerable difference. I think ordinarily one would not apply the term “manufactory” to gas. Gas, as a rule, is very often a municipal affair altogether, and even where it is not, I do not think it is generally designated by the term “manufactory.” What I rather want to get from you is, when you say “manufactory,” would you take an ordinary place—for instance, like an engine manufactory or a furniture manufactory?—I would, if the principle is adopted that they ought to be valued on their profits. Of course, if it is only a matter of valuing their premises, I would not object to that being left to the Local Assessment Committee.

41. Is it not evident that you are getting into a most terrible quagmire, if you are going to distinguish between what manufactories are to be valued on their profits and what are to be valued as premises? May I remind you of this—that the reason why a railway's profits are taken into computation is not really because the railway is valued upon its profits, but it is because a railway is such a peculiar subject, going through all different parts of the country, that you simply cannot with equity take the land as it lies?—I quite understand that.

42. It is, none the less, the hereditament that is valued, and not the profits of the undertaking?—Certainly.

*Mr. Hemphill.*

43. Are there gasworks in the urban district of Blackrock?—No.

*Chairman.*

44. Have you thought out the matter of what ought to be valued on profits, and what ought not?—No; I have not gone into that question.

45. I thought, perhaps, I was rather pressing you further than you meant to go on the question of manufactories. I do not think I really need take you at any length upon these suggestions of detail; I think they speak very clearly for themselves. The object, I take it, that you have is that when a man is going to have its valuation altered he ought to have full and fair notice, in order to be able to appeal against it?—That is my view.

46. Particular dates, and all that, would, of course, depend upon the actual scheme drawn up by any person and embodied in a Bill. There is one matter I want to ask you about particularly. At present, under the present system in Ireland, no alteration is made in valuation unless the matter is brought up by somebody?—That is so.

47. Now, do you approve of that, or would you approve more of, for instance, what is the Scotch system, where the valuation officer (who is there called “the assessor”) moves, if he choose, of his own motion; that is to say, he is responsible for the roll every year, but if he thinks a change ought to be made, he makes it, without its being brought up by anybody. Would you approve of that, or not?—I would thoroughly approve of that, if the existing system continues. I think the Commissioner of Valuation ought to have power to deal with any case in which he thought the land or hereditaments under-valued or over-valued.



*Chairman*—continued.

48. Without being set in motion particularly by anybody?—Undoubtedly.

49. I suppose your view would carry this, that if a building for any reason—of neighbourhood or anything of that kind—became more valuable or became less valuable, its value ought to be altered apart from the question of whether there had been mere structural alterations or not?—Oh, certainly.

50. At present it does not seem the habit at any rate to touch the valuation of buildings much unless there has been some structural alteration?—We, up to last year, before the case of McCusker, of Belfast, was decided, the Council of Blackrock sent forward a number of cases where there were no structural alterations, and which they thought were under-valued. The Commissioner, I believe, considered that it was not his duty to deal with these cases, and, as a matter of fact, he did not deal with them. That is up to the time of the case I refer to; but since that I notice that he has dealt with some cases we have omitted where there were no structural alterations. I fully approve of this.

51. That case of McCusker was decided, I believe, in June last?—In June last.

52. In fact, since this committee—or not this committee, but a former committee—met? Now there is one suggestion in the proof you have sent to me—I do not know whether you want to make it—I am afraid it would not find a ready response in my breast, but I do not wish to stop you from making it if you want to; I refer to your suggestion about the payment of a premium to secure greater efficiency on the part of the officer making the return?—I seriously suggest it.

53. You do seriously suggest it?—I do.

54. I have read it; the other members of the committee have not; will you say what your suggestion is?—My suggestion is that the Poor Rate collector should have a greater interest than he has at present in making returns of buildings which require the valuation to be revised. There is a penalty provided for—

55. Wait one moment. Just explain in what form. The form you have suggested to me is that the officer whose duty it is to supply particulars in regard to tenements (whom you take to be the Poor Rate collector, or it might be another officer, of course) should be given a payment in the form of a percentage depending upon the increase in valuation obtained?—It might be a very small percentage, but it would give him an interest in doing a duty which at present is done in a very indifferent sort of way; and I was going to remark, if you will allow me, that there is a penalty, at present of 5*l.*, for any neglect of this duty; but I, during my experience, have never known a case where it has been inflicted.

56. A penalty for doing what?—For not making these returns. I have never known a case where that fine has been inflicted; and, further, I do not know whose business it would be to impose that fine. It does not appear from the statutes that the local authority have power to do it; nor does it appear that the Commissioner of Valuation has the power; the result is that it is a dead letter. My suggestion would be to make that fine a real fine. We want to have greater activity amongst these collectors, and to secure that I suggest the giving of them some interest in making these returns.

57. Now I should like a word from you about what you think ought to be the law in the matter of exemptions?—I am of opinion that anything that is used purely for religious institutions should be entirely exempt, but that charitable institutions which get grants might be valued, say, at one-half.

58. What do you mean by a charitable institution which gets a grant; what do you mean exactly by that?—I mean some of these institutions might have legacies left them, for instance; that are not depending solely upon the benevolence of the public at large. However, this is a question which has been dealt with by other witnesses, and I do not think I need go into it.

59. You do not wish to give an opinion upon it?—No.

60. Then I will not press it.

*Mr. Hemphill.*

61. Are you acquainted with the existing law as to charitable institutions?—I am.

62. It is very complicated?—It is very complicated, and it is different in Ireland to what it is in England.

*Chairman.*

63. Now, I have a note here from you that you think that it is absurd to assess land in urban districts on a lower valuation than in rural districts—that is, at less than its agricultural value?—Yes.

64. What is that remark based upon? You are dealing, of course, obviously with land that is not built on in urban districts?—Yes. I am dealing with land in urban districts that is not built on, and what I complain of is, for instance, in Blackrock, that the valuation of land is only about 2*l.* or 3*l.* an acre. Whereas the letting value of this land is about 6*l.* or 7*l.*, yet the 2*l.* or 3*l.* valuation is returned to the assessing authority; they are bound under the Towns Improvements Act to take off three-fourths of that valuation, and only to assess rates on a fourth of it.

*Mr. Clancy.*

65. Not to “value it,” assess it?—To assess on a fourth of the valuation returned.

*Chairman.*

66. Then your real objection is not really to the valuation, but to the assessment? That is just what I thought it would be?—It is to both. I think the land altogether is under-valued.

67. Let me explain to you. You see we are not concerned in this committee with the question of exemptions and assessment; that is another matter altogether?—I know it is.

68. Exemptions and assessment—things being assessed for certain taxes only on a fourth, and so on, we have nothing to do with?—I am quite aware of that. I only mention this to show that land is only fixed at about one-eighth of its letting value.

69. Then I do not understand from you that so far as the valuation is concerned the land is valued at less than its agricultural value?—Well, it is valued at less than half its letting value—that would probably be a better way of putting it.

70. Then it really comes to this, that the old tenement valuation—that valuation that goes over the length and breadth of Ireland—really stands as the valuation until it comes to be built upon?—That is so.

71. Therefore one can easily see that of course the tenement valuation would be much less in the immediate neighbourhood of a town than the valuation of the land for what is very often called accommodation purposes?—Quite so.

72. It would always rank higher?—Yes.

73. You would be of opinion that land which was really within the boundaries of a town ought to be valued at what it would, and probably is, let for?—Exactly. I have made a little table (I did not know whether it will interest you or not) showing in Blackrock a number of residences with the quantity of land attached and the valuation of same. *(The Table was handed in, vide Appendix.)*

74. Would you be in favour, in any system of valuation, that there should be a provision for being allowed to assess upon the valuation list as made at once, leaving over, of course, the question of repayment to anybody who was over-assessed upon the result of an appeal in his favour?—I certainly would; it is the law at present in force, and I think that is absolutely necessary for the working of local authorities, but I wish to point out that the law wants to be altered and a similar provision made in regard to County Councils.

*Chairman*—continued.

75. I think you say there is a practical matter that rather needs to be attended to in that, that there is a provision already for an adjustment between the Urban District Councils, but that there is not between the County Councils and the Urban District Councils?—Exactly.

76. That is how it is, and you think there ought to be one?—Yes, I desire to urge this as a very necessary alteration in the law.

*Mr. Lough.*

77. Is it on this table which you circulated that you base your suggestion that the land was valued too low?—It is.

78. It seems to me roughly to be valued at about 3*l.* an acre?—About that.

79. Do you call that less than the rural value?—No, I call that less than the letting value in the urban districts.

80. You mean letting for building purposes?—No, letting for agricultural purposes.

81. It would let at more than that?—It would; it would let at 6*l.* an acre or perhaps more.

82. Then why do not they let it?—They do let it.

83. Oh, they do let it?—Yes.

*Mr. Hemphill.*

84. Now take St. Helen's; do they let that?—I know they keep cows—they graze it; in this particular place I do not suppose they let it.

*Mr. Lough.*

85. However, your suggestions, as I understand, are confined entirely to urban districts?—Entirely.

86. And cities?—Quite so.

87. You do not wish to throw out any suggestion at all about the rural parts of Ireland?—No; I do not suggest anything about them so far as this inquiry is concerned.

88. I think the gist of your evidence is that you think the work ought to be left more in the hands of a local assessment committee, in the first instance, at any rate?—I do. I think they would have better local knowledge of the cases and that they would do the work more rapidly too—every assessment committee doing the work in their own districts.

89. And with regard to the want of uniformity that that system might produce, I suppose you think that would not be greater than the want of uniformity now existing in different parts of Ireland?—Certainly not; besides any persons who thought that they were aggrieved would, under the proposed system, have at once a right of appeal to the Commissioner of Valuation, and he would deal with the cases on a uniform basis.

*Mr. Randles.*

90. You think the local system would give uniformity, but you quite agree that the other system would ensure it absolutely, do not you?—Well, I think that that system of appeal would ensure uniformity.

91. Suppose the other system were tried, and that the central was authority for the assessment, with a consultative committee or other assistance from the local authority, that would in any case ensure uniformity, would it not?—I suppose it would. I quite think that the Commissioner of Valuation should be the head authority for settling questions in dispute, but I do not think he ought to make the valuation in the first instance and sit as a court of appeal afterwards.

92. It is only a question of the amount of authority possessed by the local authority—the extent of it. It is really a question of the extent of the authority that you would give to the local authority?—Perhaps so, more or less.

*Mr. Lough.*

93. Oh, no. You go further; you think that the work in the first instance ought to be done by the local authorities?—I do, distinctly. I think the work ought to be done in the first instance by the local authority.

94. And if there was no objection from any quarter you would not call in any central authority at all?—I would not, because I would give everyone an opportunity of being represented. For instance, I suggest that there should be a representative from the Inland Revenue Department. He would restrain any tendency on the part of the local authorities to make the valuations too low, and every ratepayer getting full notice by printed lists and otherwise—if he thought his valuation was made too high—would have the right to appeal at once to the Commissioner of Valuation.

*Mr. Clancy.*

95. In the evidence you have given do you represent yourself or express the views of your Council?—Substantially. They passed a resolution to that effect. I submitted this evidence before them; of course, they did not go into the details of it, but they approved of the principle of local assessment committees unanimously.

96. I am confining my question to that point. In the suggestion you have made for the constitution of the assessment committee I assume that they are at one with you, but do you mean that your opinions as to the revaluation of land and other points are their suggestions or your own?—They are my own suggestions. Perhaps I may read the resolution they passed. I do not think I could suggest that they should be held responsible for anything, practically, beyond the local assessment committees, on which they are very strong.

*Mr. Hemphill.*

97. What was the resolution?—This was the resolution: "Moved by Councillor W. H. Knapp, seconded by Councillor Thomas Delaney, and unanimously resolved: 'That we, the Urban District Council of Blackrock, do hereby express our entire approval of the appointment of assessment committees by the local authorities for the purpose of carrying out valuations and revision of valuations in urban districts in Ireland (except railways or tramways), giving ample opportunity to the persons the valuation of whose property would be affected of objecting and being fully heard in regard to same, and of appealing; also giving an officer of the Inland Revenue the right of attending the assessment.'

*Mr. Clancy.*

98. We are clear about that, that, except on the one point, you are giving your own ideas and not theirs?—That is quite clear.

99. You say people do not know, for the want of such notice, that the valuation has been dealt with at all?—That is absolutely the case. I have known cases where they did not know until they got their demand for the rates, and then they came in, very indignant that their valuation had been raised. The time of appeal expires on the 28th March, and they do not get their notice for the rates until April.

100. Would that account in your mind to any extent for the fewness of the appeals?—Certainly, to some extent.

101. Do you think that if this notice had been given there would have been a great many more appeals?—I think there would.

102. Have you any experience of the result of the appeals in cases in which they have taken place?—Yes, the Commissioner has reconsidered them, and in many cases reduced them.

103. Much?—Well, considerably. Perhaps on a 60*l.* valuation he would reduce it £5. Of course, I think there are very few appeals as to his decisions because people do not want the bother of going to the Court of Quarter Sessions.

104. Is that the reason why they do not appeal in larger numbers?—I think that is one of the reasons.

105. They would go, you think, if that expense were not to be incurred?—What I think is this: that generally the amount involved is so small, that they do not care to go to the trouble or expense of an appeal.

Mr. Clancy—continued.

106. Have you any experience of the result of going to the Court of Quarter Sessions?—Speaking generally, I think the Commissioners' decisions are very fair.

107. Unless you have any concrete instances, I do not want you to say anything?—No. I do not want to mention the case of a railway—it is a case in dispute—and I prefer not mentioning it, but taking ordinary cases, I think the decisions are generally upheld by the Recorder.

108. Now I want to come back for a moment to your suggestion as to local co-operation; these are the words you used. I want to know how the Assessment Committee would be composed?—It would be appointed by the local bodies—by the County Councils, or Urban Councils.

109. By the County Council of the district?—By the County Council in their jurisdiction, and by the District Urban Councils in their jurisdiction.

110. They would appoint a committee, I suppose?—Yes.

111. There would be no difficulty, I suppose, if they needed them, in obtaining the services of qualified experts?—None whatever; but I think they would not want such services except in very few cases, because it would be only in the case of some new valuation that they would be required.

112. But if they did want them they would not find any difficulty, I suppose, in discovering them in the neighbourhood?—I think not.

113. Do you think it more likely (I suppose you do from what you have said) that these local assessors would arrive at a proper conclusion than a gentleman sent down from Dublin who would not be acquainted with the locality at all?—I do. I think a man who is walking the streets of a town every day knows more about the value of the premises than a man who comes down once a year from a valuation office in Dublin.

114. And that would be still more the case, I suppose, if the man who was sent down from the valuation office was not retained in the district, but happened to be a different man every year or every two or three years?—Precisely.

115. The court of appeal, according to your suggestion, would be the Commissioner of Valuation?—Yes.

116. Would that be a final court of appeal?—No, I suggest a further appeal to the Recorder.

Mr. Hemphill.

117. As at present?—Yes.

Mr. Clancy.

118. As at present; but why should there be an appeal to the Commissioner of Valuation?—Well, I think it would be a very expeditious and probably inexpensive form of appeal.

119. You know your suggestion was to take away the work from a department which is not so competent, and to give the work to another department which would be more competent; and now your suggestion is that the decision of the competent tribunal should be referred for decision on appeal to the incompetent or less competent tribunal?—Well, I feel the force of what you say, but at the same time I am of opinion that a central authority like that—which was dealing with all the valuations of Ireland—would be able to detect it, if there was any grievance. It might be just possible for a local committee to make a mistake.

120. Oh, we are all human?—Then I think sending that case to the Commissioner of Valuation (who would, I am sure, deal with the matter fairly), would be a rapid and effective way of dealing with it.

121. Suppose you did it by a combination of local bodies assessing for a district or by some other means with a representative of the local authority?—I see no objection to that.

122. And would not that secure the uniformity which you would like to secure by having the whole thing transferred to the Commissioner of Valuation on appeal?—No; because even with a representative there it would not be perfect. Take the present case. The Commissioner makes the valuation; there is an appeal made to the Commissioner himself, and he often alters that valuation, although he has made it himself; so that I think it would be better to have an entirely different and independent authority to deal with these appeals from the authority which makes the valuation.

123. Well, of course, that is your opinion?—That is my opinion.

124. When you say the Commissioner of Valuation revises the valuations which he has made himself, you know, as a matter of fact, that he does not make them himself?—These are, of course, details.

125. Do not you know, as a matter of fact (you are not quite living up in a balloon), that it is his assistant valuers who do the work, and that their work remains unless it is challenged?—I daresay that may be the case.

126. You understood me to mean, when I spoke of a central authority, I suppose, the Valuation Office—the Commissioner of Valuation?—Yes.

127. You have made a suggestion—I do not know whether you press that any further—about a premium being offered to the rate collectors?—Yes.

Chairman.

128. No, not the "rate collectors"?—The Poor Rate collector.

129. A premium to the person whose business it was to bring in particulars as to valuations, the amount of which was to slide with the amount of the higher valuation which was obtained in consequence of his information?—Yes.

Mr. Clancy.

130. I thought you referred to persons employed in that capacity?—Oh, no.

131. And whom you desired to benefit?—I am referring to the existing state of the law. It is the business of the Poor Rate collector to make these returns, and it has always seemed to me that there is a great slackness in that department; and I suggest that you should either give a stimulus, by giving him some interest in making the return, or bring into practice the fine which the statute imposes on him for not discharging his duty.

132. Do you think the effect of that would be really to decrease the valuation in any case?—No, I think it would be to increase it.

133. To increase it in every case, although it might not be just?—Oh, no; because, after all, he is only the man making the return.

134. What do you think would be the effect on the mind of an average man of offering a premium, if he increased a valuation, in proportion to the increase?—There is no doubt it might be a temptation to him; but it is to be borne in mind that he would make the report as to the necessity for increase (in the one case) to the Assessment Committee, to be dealt with by them, or (in the other case) it would go on to the Commissioner of Valuation, to be dealt with by him, so that it would not be final.

135. Do you know of a single man who would not raise the valuation under such circumstances? Would not you be greatly tempted yourself?—I do not think I would.

136. You would resist these pecuniary inducements?—Yes; but I mention that merely to show that some change in the law is necessary in regard to giving them a greater interest in making the return, or making the supposed penalty a real one.

137. You have desired not to give an opinion as to exemptions?—I think that is a very big subject, and has been probably better dealt with by witnesses who have gone more fully into the matter than I have.

138. Then you would not like to be asked any questions about it?—I think not.



Mr. Hemphill.

139. As I understand, you are of opinion that the present system should be changed, and that the valuation of an urban district council should be by a local committee?—That is my opinion.

140. I suppose the local committee would be appointed by the council, and consist of members of the council?—It would.

141. No outsiders?—No outsiders; no.

142. And you, as I understand, suggest that they, having the assistance of a local inspector and the information furnished by the Poor Law collectors, would be able to arrive at a just conclusion as to the value of the premises in their own district?—I believe they would.

143. Better than, as at present, by a totally distinct department?—Yes, that is my opinion.

144. That is your opinion, whether people agree with you or not?—Yes.

145. Whether that system is adopted or not, as I understand, you think that the present mode of proceeding leads to injustice to the rated occupiers?—I do. I do not think that they get notice about these proposed revisions being made in their valuations.

146. That, in fact, they are taken very often by surprise?—They are. I can speak positively on that subject.

147. Well, I happen to know it in one instance, because I found that the valuation of my own house in Dublin was raised without my knowing anything about it?—That is exactly what I have known to happen too.

148. You think that is against the principles of ordinary justice?—Entirely.

149. And that adequate notice should be given to the person affected before a change is made in the valuation?—I do.

150. It was suggested, I think, by the Lord Advocate, that under the present system there are better means of really ascertaining the data on which the valuation should go than there would be under your proposed system. As a matter of fact, where does the Commissioner of Valuation at present get his information, we will say, as to premises in Blackrock?—He gets it from an officer who is sent down from Dublin.

151. We may suppose that that officer must take into his counsel the local inspector—does he?—No, he does not take anybody.

152. Where does he get his information?—By making an inspection of the place himself.

153. Of course, Blackrock is almost Dublin; but suppose some very remote place—say in Mayo or Galway would the same system prevail?—The same system would prevail.

154. A party would be sent down from Dublin—from the general office—and he in a day or two would form his conclusions?—Quite so.

155. Do you think that is a satisfactory system?—No; I am entirely against that. I think that the local authorities would be able to arrive more readily at the proper value of the premises.

156. You said that, since the Belfast case, Blackrock sent up several cases for revision?—Yes; cases where there had been no structural alterations, but the premises were under-valued in comparison to others.

157. In the absence of structural alterations?—Yes.

158. Then were those cases that were sent up altered?—Yes. We sent up only a few cases.

159. But such as they were, they were altered?—Yes.

160. Then it is clear that, under the existing law there must be power, even although there is no structural alteration to alter the valuation?—Yes; that appears to be the law.

161. I mean, does not that follow?—It does.

162. You say that since that particular time—since this Belfast case—Blackrock has actually sent up cases where there were no structural alterations for revision, and that they were revised?—Quite so.

163. Therefore, there was power to revise them?—There was certainly power; but my only point about that is that I think it ought to be made compulsory: I do not know whether it is so, whether the decision referred to would make it compulsory upon the Commissioner to revise. He certainly is acting on that decision at present.

164. You think, at all events, whether there are structural alterations or not, there should be power on the part of the Commissioner to revise them?—Certainly.

165. That he should go into the inquiry, at all events, whatever the result of it was?—Yes; otherwise houses that are undervalued might remain so for years and years.

166. I do not quite understand the object with which you sent in this table?—It was to show the great amount of land which is practically arable land or grazing land which is within the urban district of Blackrock, attached to private residences—the first one (St. Helen's) has 54 acres—and so on.

167. What is your objection to the valuation there? As I understand, these black figures represent this valuation—£482?—That is the total: £142 is for land. That would be under £3 and acre.

168. Do you say that is an over-valuation or an under-valuation?—I say that is an under-valuation. I say the letting value of that ground—not even to go beyond that—would be certainly £6 an acre.

169. I merely wanted to understand your evidence. Is that, taking it as building ground, being in the locality of a township, or is it for grazing?—For grazing or arable land—growing vegetables, or anything of that sort.

170. Market gardens, for instance?—Yes.

171. I merely want to see how far your evidence goes. We will take that case of St. Helen's?—Yes; it used to be Lord Gough's.

172. That is a domain: in fact, you know that St. Helen's is more or less a mansion, and that this land (54 acres) is practically a domain?—It is.

173. That is one of the largest of them in this table, but many of these are either domains or villa holdings?—Quite so.

174. Would you deal with those as if the land was altogether detached from the mansion or residence, and treat it as if it could be cut up into market gardens or grazing land; would that be reasonable?—Take the first case; I think that land ought certainly to be valued at what it could be let at. That appears to be the underlying statutory principle with regard to valuation. Now that land could be let at £5 or £6 an acre. As a matter of fact, the late Lord Gough, who had this place, used to have cows grazing there; he had a dairy there; and in that way he was getting an enormous value out of it, and the other ratepayers in the district suffered by having to pay higher rates in consequence of this land being under-valued. There is another disadvantage I see in the land being under-valued—that is, that it does not give the same temptation to people to let their land for building as they would have if their land was highly valued; and at the present moment there is great difficulty about getting land for building in Blackrock.

175. We will take the case of Blackrock Urban District. Do you think, then, that under the existing system the and there has been greatly under-valued?—I do.

176. And the consequence of that has been, of course, that the ratepayer has been burdened more than he ought to be?—Quite so; that is my point.

177. And your opinion is that in dealing with these villa holdings and domains (call them what you will) in an urban district such as Blackrock, you ought to follow literally Griffith's test for valuing land—that is, taking the letting value?—I do.

178. The letting value not of the domain or villas, but of the land *per se*?—I think that, at the very least; I should go much further than that; but I think that would be the very mildest reform that we require.

179. And that would go very much to relieve the general taxpayer in the urban district?—Quite so.



*Mr. Charles Douglas.*

180. I just want to get a clear idea of what the process would be in valuation. You propose that the valuation should be made in the first instance by an assessment committee?—I do.

181. Independently?—Independently.

182. Then that there should be a right of appeal against that to the Commissioner of Valuation?—Quite so;

183. An appeal by the person aggrieved if the value were too high?—Yes.

184. And in the case of its being too low a value, by whom?—By the Inland Revenue representatives.

185. Then the Commissioner would revalue the subject?—He would go into the matter.

186. Independently?—Independently; quite so.

187. Then, again, there would be an appeal against his decision?—Yes, to the Recorder.

188. Again, at the instance of either of those two persons?—Exactly.

189. And the original valuation would be made at the instance of the official who received a commission upon every increase of valuation?—No. Perhaps I did not convey myself very clearly to the Committee about that. That referred to the present system of the law.

190. That is not what you propose?—No. The present system of the law is that the Poor Rate collector really is the man who goes round and returns premises that require to be revalued or revised; and my point is that he has not sufficient interest in doing that, and that the fine that is provided by statute is not or cannot be enforced.

191. I quite understand that point; but the process of valuation is what you have stated to us now?—Exactly.

*Sir John Colomb.*

192. I presume you are acquainted with the report of the Royal Commission on Local Taxation?—Yes, I have read it.

193. Then, in point of fact, I understand that you disagree with the conclusions to which those Commissioners came with regard to these committees?—I do to a certain extent. If I remember rightly, they thought that there should be some assistance; they went to the extent of saying that there should be some assistance from local authorities more than what there is at present.

194. Perhaps I may put it in this way: What the Commissioners really reported was this, that in view of the great conflict of opinion in Ireland, the establishment of assessment committees was undesirable; but what they did recommend was that there might be local committees called in for consultation and advice?—Yes.

195. You think that that does not go far enough?—Precisely. That is my point.

196. And, therefore, you do differ with the conclusions arrived at by the Royal Commission on Local Taxation in Ireland?—I do in this respect.

197. Now, turning to the return you have handed in, I see it is headed: "Table showing some private residences in the Urban District of Blackrock." How or on what principle did you select these residences?—On account of their having a large acreage of ground attached to them.

198. And does what you have said as regards the value of land apply to that class which is illustrated by this table?—Well, I would not confine myself to that table; I rather intended that it should glaringly illustrate the totally inadequate value placed on land in urban districts.

199. Let me give it in this way—take St. Helens at the top of the table?—Yes.

200. I understood you to say that that 5½ acres is worth 6*l.* an acre?—I believe it is.

201. Because it would let for 6*l.* an acre?—Exactly.

202. Take the case of Dalguise—the second last one—where there is only 8 acres; do you also maintain that that ought to be valued at 6*l.* an acre?—I do.

203. Supposing there was a place of one acre, would you say the same? What I want to get at is whether the general principle you have laid down is to be applicable to all land in an urban district, no matter what its area?—Possibly a small piece of ground occupied merely for a vegetable garden or an ornamental garden might not come under the same category.

204. But as I understand you, you say you do not agree with the Act; you think the Act wants alteration?—I do, in removing the provision which prevents the value of land being increased.

205. What I want to get at is, what is in your mind as a general principle of any new Act as regards this sort of holdings?—I would be disposed to value them certainly at their letting value. I think that would be a very moderate reform; but my own idea would be to value them even more highly considering they are in a situation of such convenience as an urban district.

206. Now, going back to St. Helens, I see that the value of the buildings is about two and a half times the value of the land; is not that so?—Yes.

207. I suppose that is for residential reasons—for the advantages and amenities of the building?—I take it, it is the letting value of the buildings.

208. That is, the letting value of the building with the land?—Oh, no; the land is valued separately.

209. Then do you say that the letting value of that building with the land covered with cows, sheep, donkeys, or anything else, would be equally great? Would the letting value of the building—assuming all the land round it letting at 6*l.* an acre for the purpose of grazing cattle, or sheep, or horses, or anything else—I ask you, would the letting value of that be as great?—Of the building?

210. Of the building?—I think it would. The building is valued altogether independently of the land.

211. In this I see you have included St. Joseph's, and I see it is ruled out. May I ask why you put it in and then took it out?—Because it is not a private residence, it is a college.

212. Then that land, I presume, is worth 6*l.* an acre, too?—Certainly.

213. But you would exclude it for other reasons?—My table referred to private residences, and St. Joseph's was brought in by mistake, and I took it out.

*Chairman.*

214. It did not correspond with anything; that is what it comes to?—It did not correspond to the heading of the table.

*Sir John Colomb.*

215. As the law now stands, assuming your proposal to be carried out with regard to assessment committees, their only work would be in the case of alterations and new buildings?—No, they would go through the lists, and if they found any premises that were under-valued or over-valued they would put the proper valuation on them.

216. As the law stands now. My question was: As the law stands now—no alteration being made in it—would it or would it not be the case that the assessment committees' work that you propose would only apply to cases where there were new buildings or structural alterations?—No, it would apply to all valuations. You see the Commissioner of Valuation now has power to deal with cases where there has been no structural alteration.

217. Where there has been none?—Yes.

218. Would you be in favour of fixed periodic valuations?—I would—at short intervals. There would be no difficulty whatever in the proposed assessment committees going through the valuation lists every year, and fixing or revising the valuations where necessary; I know that there would be no difficulty in Blackrock, and there are many urban districts similarly situated, with ratings numbering less than 2,000.

*Sir John Colomb*—continued.

219. I want to understand this. I presume that at Blackrook some parts of the urban district are improving and some are declining; is that the case?—Quite so.

220. Taking two houses, A and B, whose assessment was made long ago, without any revision, the value is improved by reason of the value of the general circumstances of the district?—Yes.

221. Very well. Now is this, or is it not, the case: A makes no structural alteration; B is next door to it and makes a structural alteration; that calls for a revaluation of B's house?—Yes.

222. And is it not the case that the revaluation is not merely on the addition he has made, but on the whole value of the house?—Do you mean under the existing law?

223. Yes?—Well, as it is carried out at present, the Commissioner of Valuation, when he comes to make a revaluation, carries it out on the statutory principle, and then deducts off that valuation a percentage of from about 5 to 30 per cent. in order to make it equitable, having regard to the valuation of other houses in the neighbourhood.

*Mr. Clancy.*

224. You say you disagree with the recommendation of the Royal Commission on Local Taxation on this point of assessment committees so far as that recommendation concerns Ireland?—Quite so; I am only dealing with Ireland.

225. But I suppose you agree with the suggestion of the same Royal Commission as regards England?—I do certainly.

226. And do you see any reason why what is good for England in this matter should not be good for Ireland?—Not the smallest.

*Sir John Colomb.*

227. The recommendation of the Committee as regards England was more in the direction of a centralised expert department?—That was for railways and tramways, I think.

228. No; pardon me?—That is only my recollection of it.

*Chairman.*

229. You have been asked a good deal about this table, and what you object to in the valuation there. Is not your view really met by a clause of the Local Government Act, which, of course, only applies at present when there is a revaluation made under that Act? In Section 65 of the Local Government Act the words are, are they not, that the land within the county borough boundary shall be valued in the same manner as houses and buildings, namely, the rent for which, one year with another the same might in its actual state be reasonably expected to let?—That is precisely what we want—that law extended to the urban districts.

230. That is within the county borough?—Quite so.

231. And if that were extended to the urban districts, that would meet your view?—It would.

232. I do not think there is any puzzle really about the question of small pieces of ground. Of course, if the piece of ground is so very small as to be treated as a curtilage of the house, then it is valued as "building"; as soon as it is larger than that, then it is treated as "land"?—That is so.

## EXISTING STATE OF LAW IN REGARD TO VALUATION.

Commissioner of Valuations forwards Schedule giving his decisions in regard to Appeals in reference to any cases where he has altered, or refused to alter, Valuations on the List sent to him in previous June for revision and forwarded to Local Authority on 1st March in following year.

\* No date fixed, say 20th May or 20th June.

Notice published in regard to this, notifying that any person aggrieved by such Decisions may, within 21 days, lodge with Clerk of Local Authority an Appeal to Quarter Sessions. At the expiration of the 21 days, these further Appeals to be sent forward to the Commissioner of Valuation.

Said Appeals heard by the Recorder at Quarter Sessions.

October.

Lists of all Rateable Tenements or Hereditaments requiring revision, prepared by the Poor Rate Collector, or by any Ratepayer or by the Council, of the District (to be forwarded to the Commissioner of Valuation on the 28th June), to be open for inspection at office of Local Authority for 10 days before the 15th June. No notice whatever given of this to the persons affected.

15th June.

The said Lists of Tenements and Hereditaments requiring revision to be forwarded to the Commissioner of Valuation with the views of the Council in regard to same.

28th June.

Supplemental Lists of Tenements and Hereditaments requiring Revision to be forwarded to the Commissioner of Valuation.

Commissioner of Valuation empowered to receive Supplemental lists (generally received by the Commissioner in September).

Lists as revised† by Commissioner of Valuation sent to Local Authorities. Notice published that said Lists are open for inspection, but no intimation given that there is an Appeal against same.

1st March.

Appeals against same to be forwarded to the Commissioner of Valuation.

28th March.

## SUGGESTED ALTERATIONS.

Local Assessment Committee appointed by Urban or County Councils to meet and with the assistance of Local Surveyor and Collectors and Representative from Inland Revenue Department to revise Valuations of their District.

1st October.

Owner or Occupier to receive notice as to changes in existing Valuations or as to new Valuations made by Committee, by Registered Letter and by placards posted through the District and by advertisements in newspapers, said Lists to be printed and open for inspection at the office of the Local Authority for 10 days.

15th October.

Last day for receiving objections, which must be in writing, and on prescribed form, showing reasons for objecting in regard to Valuations made by Assessment Committee. Committee to have power to take evidence on oath, and to require Owners or Occupiers to make a return of Rents—similar to Income Tax Returns.

27th October.

Final Decisions of Assessment Committee. Notice to be published in regard to same. Lists of same to be printed, and open for inspection.

15th December.

All persons, including the Representative of Inland Revenue Department, who have duly lodged Objections to have right of Appeal to Commissioner of Valuation up to 1st January, notice of same to be given to local authority.

1st January.

Schedule containing decisions of Commissioner of Valuation in regard to appeals to be sent to local authorities. Notice to be published in regard to same, said notice to state that an appeal lies to the Recorder at Quarter Sessions; these appeals might be heard in the end of March.

1st March.

Last day for notice of appeal to Quarter Sessions, in March.

15th March.

Notice of such appeal to be lodged at office of local authority, and forwarded by said authority to Commissioner of Valuation.

\* Last year on 20th May. This year on 20th June.

† Commissioner of Valuation can only deal with cases which are on the Lists for Revision, forwarded to him in June or September by local authorities.

TABLE showing some Private Residences in the Urban District of Blackrock, Co. Dublin, with Acreage of Land attached thereto, and Valuations of same.

	Area.	Land.	Buildings.	TOTAL.
	A. R. P.	£. s. d.	£. s. d.	£. s. d.
St. Helen's - - - - -	54 3 5	142 - -	340 - -	482 -
Dunardagh - - - - -	29 0 20	60 10 -	169 10 -	230 - -
Sans Souci - - - - -	30 0 9	88 - -	96 - -	184 - -
Collegues - - - - -	22 1 11	62 - -	80 - -	142 - -
Willow Park - - - - -	25 1 32	77 - -	135 - -	212 - -
The Elms - - - - -	6 1 25	19 - -	75 - -	94 - -
Temple Hill - - - - -	15 1 26	43 - -	130 - -	173 - -
Stralbrook House - - - - -	13 1 28	36 - -	84 - -	120 - -
Craigmore - - - - -	24 0 0	74 - -	120 - -	194 - -
Marino Park - - - - -	11 1 8	33 - -	53 - -	86 - -
Cherbury - - - - -	14 3 33	44 - -	70 - -	114 - -
Chesterfield - - - - -	5 1 10	20 - -	80 - -	100 -
South Hill - - - - -	12 1 36	37 15 -	134 5 -	172 - -
Dalguise - - - - -	8 2 12	25 - -	140 - -	165 -
Rockfield - - - - -	20 3 9	62 10 -	102 10 -	165



REPORT  
FROM THE  
SELECT COMMITTEE  
ON  
IRISH VALUATION ACTS,  
TOGETHER WITH THE  
PROCEEDINGS OF THE COMMITTEE,  
AND AN  
APPENDIX.

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