

Land Nationalisation

The Key to Social Reform

by

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## Foreword

THE land question is the most important item of any programme of national reform, for the land is the key to social reconstruction, but land questions are difficult to follow and are consequently unpopular. If his views were to find expression, the average man, if button-holed by an ardent land reformer, would probably say something like this:

"Yes, I agree that the question of land reform is of enormous importance; you may be right that the only way out of the difficulties that surround us and the only way of reducing the cost of living is to get more out of the land, and that the only way of getting the most out of the land is for the nation to own it; but to prove that to me you have got to do something more than give me a long string of complaints about the present system. If you will tell me very briefly why you think the land should be nationalised, and, above all, will give me some idea of what you really do propose in a practical way, I am prepared to listen to you and form my own opinion afterwards; but I want to know what you really do suggest, how you propose to get the land, how much you propose to pay for it, how the change over will pan out financially, and how you are going to work such a gigantic scheme/'

The following pages have been written for such a reader. The writers have not attempted to set forth in detail the iniquities of the present system of private ownership of land; hundreds of convincing instances of hardship could be given, but these and other aspects of the question have been fully covered by other writers in such books as "The Case for Land Nationalisation" by Joseph Hyder (25. 6d. net, Land Nationalisation Society, 96 Victoria Street, London, S.W.1), "The Land or Revolution" by R. L. Outhwaite (is. net, Daily Herald, London, E.G.), and "Land and Liberty," the monthly journal (2d.) issued by the United Committee for the Taxation of Land Values, 11 Tothill Street, London, S.W.1.

If it may be said without disrespect, recent land agitators in this country, from Mr Lloyd George upwards, have been more distinguished for their destructive criticism not to say vituperation than for constructive suggestions; in the present work, therefore, the authors

have endeavoured to pay more attention to the constructive than the destructive side of the land question, and seeing that Labour has not yet evolved a definite land policy to be adopted when it comes into power, the boldness of the authors in endeavouring to outline a suitable policy will perhaps be pardoned. The suggestions made are tentative, and all descriptions of criticism (even from fellow land reformers of different opinions!) will be heartily welcomed.

## **Chapter I**

### **Land Nationalisation—The Need For "Increased Production"**

IN view of the fact that land is the material basis of practically everything required by man, it is at first sight surprising that more books are not written upon the subject of land reform. Probably this is due to the circumstance that the majority of reformers are townspeople. They are born, or at any rate, are brought up and prefer to live, in towns, and if they express a predilection for the country, it will be found usually that they have a season ticket to town, or that the "little place in the country" is equipped with a garage. Social reformers as a class are townspeople, and are not interested in land as an instrument of production. Furthermore, the subject bristles with difficulties, and a writer upon it may easily stumble into some absurdity in dealing with some particular aspect of so comprehensive a subject; the present writers are perfectly aware of this fact, and plead guilty in advance; but would add in self-defence (or counter-attack) that a person may be a first-class authority upon the nature of soils and manures best suited for certain crops, without his knowledge or opinion on systems of land tenure or economic theory being of any more value than that of a competent bricklayer or an incompetent politician.

Although certain sections of the community have been well aware for years past that the system of land ownership in this country was harmful to the interests of the nation as a whole, it was not until the war came that people generally realised the extent to which the land of the country had not been utilised to its full capacity for the production of foodstuffs and other articles of cultivation. And then, bit by bit, and with the greatest reluctance (for they themselves are the principal landowners and make the laws), our governing class caused the State to intervene more and more, to dismiss the bad farmer from his land, to settle what should be grown, what pasture should be ploughed up and put under wheat, and so on, and it even interfered with the sacred rights of property to the extent of compelling owners of land that was not being used to permit other people to grow foodstuffs on it but for the duration of the war only!

During the war the need for this increased production was forced upon us by enemy submarines, which restricted very considerably our power to import food, raw materials and commodities from overseas; that particular crisis has fortunately been overcome, but the necessity for increased production is now as great as ever it was during the war, for quite another and more enduring reason, viz., the financial position of the nation.

Prior to the war the value of British investments overseas, that is to say in the Empire and in foreign countries, brought into this country in the shape of interest and dividends, some two hundred million pounds! worth of commodities each year, or about one-eleventh of the entire national income. Each year vast cargoes of grain from the United States, Canada, Argentina and India, cotton from the United States, Egypt and India, hides from South America, tea, timber, and a thousand and one other things from the Dominions and other foreign countries, flowed into this country as tribute, for which no commodities had to be given in exchange; in a large measure these imports represented payment for past services, such as the building of railways in America, Canada, Argentina, etc., with British capital and machinery, but the fact remains that for years we have been receiving this tribute without having to produce anything for it. Of course, these two hundred million pounds' worth of imports did not satisfy all our requirements, but from the fact that they represented nearly ten per cent, of the entire national income, it is apparent that this "unearned income" played a very important part in the national economy, and the coming in each year of these vast quantities of food-stuffs and raw materials concealed the necessity for a large production at home of these commodities. Now the position has changed tremendously as a consequence of the war, for we have parted with a very large proportion of our foreign investments and have actually had to borrow large sums of the United States and other countries;<sup>1</sup> with the result that we no longer receive anything like what we used to in the way of tribute from those countries (primarily producers of raw materials) and in some cases have actually become indebted to

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<sup>1</sup> At March, 1921, the British Government owed the United States nearly \$4,000,000,000 (at the current rate of exchange, over one thousand million pounds) repayable on demand.

them, so that it is rather we that have to pay tribute to them than they to us. If, therefore, we are to continue to consume or use the same amount of food and raw materials as previously, we shall have to produce more ourselves, either in the shape of food-stuffs and products of the soil, which will to that extent diminish our dependence upon overseas countries, or we shall have to make more manufactured articles to serve as payment for the food-stuffs and materials we continue to draw abroad. If, therefore, we are to occupy the same position as we did before the war, we must, as a nation, produce more; that will not be easy of accomplishment, for the workers of the country, with the express approval of all recent premiers, including Mr Asquith and Mr Lloyd George, are determined to work less hours and receive a greater share of what they produce. Furthermore, the two hundred millions' worth of products which came in from abroad as tribute were not the property of the British nation, but belonged to a relatively small number of inhabitants of these Isles, who in exchange for the American, Canadian, Argentine and other investments which they parted with in order to enable the government to pay for its purchases of war materials abroad have received still greater sums of British War Loan or other securities, the net result of which is that these wealthy classes have indeed parted with their claims over so many hundred million pounds' worth of American, Canadian, Argentine and Brazilian labour, but have received in exchange pieces of paper entitling them to the product of so many hundred million pounds worth of British labour.

The possessing class cannot, of course, themselves consume all these products which used to come from overseas as tribute, but their command over these commodities enables them, through the machinery of money payments, to provide for the clothing and feeding of hundreds of thousands of British workers and to employ them as chauffeurs, gamekeepers, gardeners, valets, ladies' maids, house servants, etc., and to make for them, i.e., the possessing class, jewels, fine clothing, yachts, motor cars, and indeed, all the fine things of life.

In so far as much of this foreign tribute has now ceased to come in (and to the extent that it continues to come in, much of it is no longer tribute but delivered to us on credit), the possessing class has lost its power to employ large numbers of people in the manner indicated;

but on paper it does continue to possess that power, with the difference that it will have to be British workers, instead of those abroad, who produce the food and clothing or their equivalent to maintain those who are not engaged in the production of goods and commodities of use for the whole community; and this is one of the root causes of rising prices and labour discontent, for until the power over labour of the possessing class is seriously curtailed by means of drastic taxation or a capital levy, i.e., the withdrawal from them of purchasing power over the labour of others, the position of the country will grow worse and worse and may quite possibly lead to revolution. Increased production is obviously necessary to get the nation out of the financial morass into which it is floundering more and more deeply.

With improved methods and with the removal of obstacles which at present impede production, it is possible that much could be done in this direction, although before we come to more production it will be necessary to make up for the shorter working hours that are now generally in operation; but even if, in addition to making up for this diminution in working hours by more intensive production, there were a further increase in production of three per cent. per annum, it would still take thirty years to catch up with the inflation of money in the United Kingdom, that is, before the production of commodities would have caught up with the increase in prices obtaining to-day.

As a matter of fact, both heavy taxation and increased production are absolutely necessary, but the workers generally will not be persuaded to make any great efforts towards increased production until they are assured of a "square deal" in the distribution of what is produced; in other words, they require to be satisfied as to who is going to derive the benefit of the increased production. But sufficient has now been said to show that the nation is in a position when every serious hindrance to production must be removed if it is successfully to emerge from the crisis in which it finds itself, and one of the chief hindrances which impede production to-day is the present system of land ownership in this country whereby the agricultural population during the few years prior to the war decreased by sixteen per cent., while gamekeepers increased by twenty-five per cent. Britain was fast becoming a rich man's country, a country in which an ever increasing percentage of the population was becoming, directly or indi-

rectly, the retainers of the wealthy directly, by acting as domestics in the manner already described, and indirectly, by being engaged on the manufacture of articles of luxury instead of the production of foodstuffs and raw materials for the manufacture of articles required by the population as a whole.

Quite apart from the special causes already referred to, which will force upon us a diversion of this labour from the service of the rich to the production of commodities for the bulk of the population, there are in operation certain world tendencies which will accelerate this development. The world's surface is not yet fully peopled, but no new continents remain to be exploited, and, one by one, the great producers of raw materials will, as has happened during our own time in the case of the United States, reach the point when they will require for the consumption of their ever-increasing home population the bulk of what they produce in the shape of raw materials and food-stuffs.

Let us take cotton as an example. Most of the cotton in the world is produced in the United States, but Great Britain, with its great spinning industry, has been the principal user. Note, however, in the following table, the startling growth in the proportion of the American crop used by spinners in the United States, and the corresponding decrease in the British proportion:

	Great Britain	United States
	%	%
1880-1885	42,83	31,64
1885-1890	41,23	32,83
1890-1895	37,28	33,05
1895-1900	30,46	35,29
1900-1905	27,94	38,57
1905-1910	25,22	40,25
1910-1915	25,45	39,63
1915-1919 (4 years)	20,87	57,61

With Man's wonderful inventive faculties and the constant improvements that are possible in machinery, it is quite likely that we are nowhere near the limit of capacity for increased production; but this is by no means the case with raw materials, without which manufactured articles cannot be made, and indications point to raw materials generally becoming relatively scarcer and enormously dearer, which

will mean that the populations of the old manufacturing countries of Europe will have to pay more in manufactures, i.e., work harder, if they are to continue to obtain from the newer countries those food-stuffs and, commodities that are indispensable to them.

There is another factor which has been greatly accentuated by the war, which makes the future even still more unpleasant. We refer to the increasing tendency and unmistakable aspiration of the Dominions and newly developed countries generally to become more and more self-sufficing in the matter of manufactures. In the early stages of the development of a thinly populated country, the labour of the community is directed primarily to obtaining the products of the soil, be it crops, timber or minerals, quantities of which in excess of the small home requirements are produced for export and are exchanged for clothing and the other manufactured articles which are necessary to life as we know it to-day. As time goes on, and population increases, it is the most natural thing in the world for such populations to endeavour to develop within their own borders the industries which furnish these requirements, the more so if, as is usually the case, they produce at home the raw materials used in the manufacture of such articles. Why should Argentina or Australia, for instance, ship wool three thousand miles across the ocean to be worked up into fabrics and then be re-shipped to them, if they can do it themselves? Similarly, why should such countries send iron ore thousands of miles to be smelted and converted into girders and other constructional material if they can do it themselves? And thus it is with manufactures of all descriptions. Gradually, the industrial and fiscal policy of these countries, which, up to quite recently, drew so much of their requirements in manufactured articles from Europe, is being directed more and more to building up within their own borders great industries. This has already happened in the case of the United States and Japan, and throughout Canada, Australia, India, Argentina, Brazil and other countries, the great world suppliers of raw materials, there are being developed great iron and steel, cotton, wool and silk weaving, and other industries which will make those countries less and less dependent upon the nations which have hitherto been the great manufacturing peoples of the world.

As time goes on, there will be less external demand for the manufactured articles of Europe, which will consequently find its purchas-

ing power over raw materials and food-stuffs considerably diminished. Unless some at present unforeseen development occurs, such as, for example, the manufacture of food from the air, it is doubtful if Europe can continue to feed and clothe its present teeming populations, and a very strong flow of emigration from Europe to other portions of the British Empire and of the world, where food and products of the soil are more plentifully to be obtained, is likely to set in as the pressure becomes perceptible—a tendency likely to be accelerated by the crushing burden of war debts of Europe and by the policy of its governing class, which has operated, as in the case of Russia, for example, towards still further curtailing Europe's production of necessities and thus increasing the cost of living.

It is more than probable that, as time goes on, the centre of political power will pass, with population, from the United Kingdom to the Dominions, and in pessimistic (or is it optimistic?) mood it is possible to visualise a time when the United Kingdom, with a population say of ten or twenty millions, will be kept by the Dominions (perhaps in conjunction with the United States) as a sort of national park, the last refuge of the rich man, in which is kept going as a sort of world museum a country in which the land is not used for the production of food and other necessities, but for the rearing of pheasants, foxes, and the pursuit of hunting and other gentleman's sports, a country in which the inhabitants will be largely gamekeepers, jockeys, golf caddies, ornamental gardeners and domestic retainers generally, in which domestic servants will still continue to polish boots, in which the rich man can masquerade as squire, and be treated with due deference by the clergy and all other authorities, a country in which the bulk of the population will continue to touch their hats to the person who owns the land and consequently their immortal souls!

Time will show how far-fetched if at all this picture may be, but if one thing is clear, it is surely that the land and labour of the United Kingdom will have to be utilised more and more for the raising of food and other products of the soil, and that those impediments which at present trammel both must be removed.

To some readers, the foregoing remarks may seem bitter; but are they aware of the extent to which the land of this country is utilised and kept in fetters for the purpose of providing sport for a small portion of the population? *The Field* of 18th October, 1919, published a

map of England showing the whole country covered by spots. These spots did not denote housing or increased food production schemes, or anything of that sort, but the "hunts" of the country, and that the whole land area of the United Kingdom is covered by, and highly organised for, this rich man's pastime. The advertisements reproduced on pages 152-155 tell their own story. These are the sort of advertisements that appear after a world catastrophe, in a country which finds the exchanges of the world, except those of its ruined allies, against it; and finds that the pound sterling will not buy more than fifteen or sixteen shillings' worth of the produce and food-stuffs it has to import from the United States, Canada, India, Argentina, etc., to keep going. You open your daily paper, and side by side with Admonitions to the workers of the country to produce more if they would save it from ruin, you read accounts of aristocratic attendances at hunts and how many animals have been killed, and conflicts between two sets of gentry as to hunting over certain areas.

## **Chapter II**

### **The Problem of Raw Materials**

THE man in the street has not yet realised the growing scarcity of raw materials—a scarcity that is only temporarily veiled by the post-war depression in prices. Many factors contribute to the increased cost of living, but prominent among them, and more permanent in its nature than any others, is the failure of the supply of the products of the soil generally to keep pace with the world demand. This increased demand is the accompaniment of the growth of both civilisation and population, and the difficulty has not been created, but has been accentuated by the war. The world is approaching a period when its natural resources will have to be managed, produced and pooled in the interests of the peoples of the earth; premature as such an idea may seem to many people, we will hazard the opinion that such a distribution may well become one of the earliest executive tasks to be carried out by the League of Nations or whatever international organisation is set up in its place. Failing that, we shall have not merely such a scarcity as will endanger civilisation in many countries, but also a series of wars between those nations which will endeavour to monopolise the products they happen to control, and those which find themselves deprived of these necessities.

Leaving on one side, however, this greater question, it is still more urgent that each country should develop its own natural resources to the utmost, and we submit that our present system of land ownership actually impedes production, and that full production is not possible under any but a form of collective ownership and control which gives security of tenure to those who are working the soil, which charges a fair rent (going to the community) as its share in the product, and which also exercises such control as may be desirable over the uses to which the soil is put, e.g., prescribing a certain minimum of good farming and exercising a guiding hand as to what is grown, in the interests of the community, instead of leaving this to circumstances or blind chance. This last stipulation will not please rank individualists, but land is limited in quantity and cannot be replaced, so persons who are granted the privilege or responsibility (in a thickly populated country like ours it is a case of both) of utilising a portion

of the precious soil, must conform to the regulations of the owner in this case the community, which frames its regulations for the general good, instead of having to obey the capricious or selfish regulations of a man whose main thought is to obtain the maximum amount of revenue from his land combined with the minimum interference with the sports of himself and friends.

To carry out this community ideal properly, half measures will not suffice. The whole land of the country must be owned by the people who dwell upon it. The State must become the ground landlord of the entire country, i.e., the whole of the land, including mineral rights, inland waters, etc., should become the property of the nation as from a given date against fair compensation, a subject dealt with in a subsequent chapter.

Some readers will find this proposal too sweeping. In these matters timidity is not a good guide, and it is apt involuntarily to become the bulwark of vested interests. A glance through Chapter XII will show how practically throughout the whole world in turmoil, it is the land in connection with which most drastic measures are taken. The British public is not kept informed by its newspapers of the startling developments which are occurring nearly everywhere in this respect. The land is the source of all wealth and it is natural therefore, that in a great uprising and overturning of established institutions as occurs in a revolution, the first thoughts of the people should turn to the ownership of the land on which they absolutely depend for livelihood.

A brief study of the subject throughout both past and recent times has convinced the writers that the stiff-neckedness of the land-owning class in practically every country, sooner or later leads to nationalisation of the land by the temporarily effective method of murdering the owners. This method is no more desired by the genuine land reformer than by the landowner himself, for instead of the land thus acquired becoming an asset of the community, it is usually soon divided up among the peasantry, and then one either gets a severe reaction, or some of the murderers become the owners of the land, and then the whole game starts over again. Yet the landowners never seem to learn, and in our own country we have the almost incredible spectacle of a Chancellor of the Exchequer, at a time when he is at his wits' end to make both ends meet and cannot see how to

get over the future, actually cancelling certain duties on land and arranging for the repayment or remitting of duties aggregating £2,000,000 that have been paid or were due by landowners during the past years; and in December, 1920, the House of Lords actually deleted from the Agriculture Bill the clause which gave the Board of agriculture power to interfere with the discretion of the farmer, when of opinion "that the production of food on any land can, in the national interest and without injuriously affecting the persons interested in the land, be maintained or increased by the occupier by means of an improvement in the existing method of cultivation or by the use of the land for arable cultivation." The State is to guarantee a minimum price for home-grown corn, but when it comes to securing maximum food production it is not to interfere!

It is our opinion that only a sweeping measure of national land-ownership with the simplified tenure and the throwing open of large tracts of land for the hundreds of thousands of ex-soldiers and others who will find themselves out of work ere long, will avert a revolution. We repeat, therefore, that the financial position of the nation, the presence of large and increasing numbers of unemployed men who, given access to the land, together with direction and equipment, would immediately become producers instead of having to be inadequately supported by their fellows, and the world shortage of various raw materials, all render it imperative that the land should be freed from the obstacles to full development with which it is enmeshed, and that the only method of doing this is to make it the property of the whole community so that it may be worked in the interests of the whole nation; which means land nationalisation.

### **Chapter III**

#### **Why all the Land must be Nationalised**

WHY, it may be asked, buy up all the land? Would not that involve interference with existing leases? Would it not be easier to nationalise by instalments? Furthermore, many towns already own considerable tracts of land and are gradually extending their boundaries. Might this not go on until in course of time a great deal of the land of this country is in the hands of the towns? And if the State were to acquire the land area of a farm and not the farm buildings themselves, would not the tenant be in a worse position than before, he having two landlords instead of one? The reply is, that anything short of a complete scheme of national ownership will be unsatisfactory as this will result in numerous anomalies and will also enrich private owners, at the cost of the community, for with such greater production as will result from the land being put to its most economic use under expert control, land generally will rise in value. The question of municipal ownership of land is dealt with in the next chapter. Of course the State must interfere with existing leases, just as any government or public authority, railway or other Statutory undertaking, interferes with existing leases when it acquires land compulsorily: but, as in all such cases, the State will compensate the leaseholders; in other words it will buy out both the owner and the lessee, but the former will receive only the value of his property as it exists subject to the lease. All leases, long or short, must be secured by the State in order that it may be able to give uniformity of tenure and in order to avoid anomalies. Moreover, in order to secure to the whole community the profit arising out of community-created value as apart from that due to individual effort (and it is here that land nationalisers can in a large measure achieve the end desired by land taxers), it is essential that rents should be revised from time to time—say every seven years in an upward or downward direction according to the circumstances of the case. Fair rent courts or some other tribunal, on which all parties were represented, could decide this point. Subject to this provision, no owner or occupier would be placed in a worse position than he is at present. Of course, anything that the State did as ground landlord would not affect the powers that may be

conferred upon any municipal or other authority over houses within their jurisdiction; the point is, that once the State becomes the ground landlord of the whole country, the ground rent payable in respect of each piece of land can be fixed upon a fair basis. It is easy to see this in the case of agricultural properties.

As regards house property, it should be understood that the State does not become the owner of houses except where leases fall in, in which case the State as ground landlord becomes possessed of the buildings thereon, and may re-lease them to the occupants, sell them to the municipalities, or rebuild, just as any private ground landlord could do. What happens in the case of house property is that the State takes the place of the existing ground landlord.

Let us see how land nationalisation would work out in the case of three different classes of house occupiers. Jones is a man possessing a freehold house; Smith, living next door, has a ninety years' lease of a similar house and garden at a ground rent of £8 per annum; whilst Robinson, living next door to him, has his house on a lease with twenty years to run, at a ground rent of £4 per annum. The State becomes the ground landlord of all three; the ground landlord, be it noted, not the "Landlord" of the house. Suppose the valuation of each of the three pieces of land is £150. The State pays Jones as freeholder, £150. In the case of the land occupied by Smith's house on a lease which has still ninety years to run, the sum payable is divided between Smith and the grantor of the lease; as a ninety years' lease is worth little less than a freehold, this would mean in practice that Smith would receive the bulk of the £150 and that only a small fraction of that sum representing the value of the equity would be payable to the lessor, for to-day's discounted value of £100 payable ninety-nine years hence, discounted at five per cent, compound interest, is precisely 15s. 11½d.—fifteen shillings and eleven pence-halfpenny; and in the case of the land occupied by Robinson's house, he having it on a lease that has still twenty years to run, the purchase money would be divided between him and the grantor of the lease, each receiving the commuted value of the property acquired by the State. Each occupier would now be paying the same ground rent to the State, which, to begin with, would no doubt correspond to the actual value of the land, and in the case of a piece of land worth £150 this would, at current rates of interest, be in the neighbourhood of £8

per annum. As Jones could gain this sum quite easily in interest if he invested it in government stock, he would be no worse off in a monetary sense; the same would apply to Smith, for the interest on the £149 or so he would receive would be equivalent to the ground rent of presumably £8 per annum he would have to pay the State; in the case of Robinson, the £150 purchase money would have to be divided between him and the grantor of the lease, which had still twenty years to run. The discounted value to-day of £150 payable twenty years hence, would, on a five per cent. basis, be £56 10s. 8d. Allow, however, that the lessor received as much as £70, and there would remain to Robinson the sum of £80, the interest on which, if he did nothing other with it than place it in War Loan, would provide more than the additional £4 per annum he would have to pay in ground rent, i.e., the difference between his existing ground rent of £4 for twenty more years and the new ground rent of £8. It may be asked: "What advantage does Robinson get out of the change?" The reply is that he is in no way disadvantaged, he retains at least such security of tenure as he already possessed, and gets the use of a certain amount of capital which he no longer requires to keep immobilised in order to enjoy the security of his lease. All that would interest occupiers would be the question of security of tenure. As the existing leases fell in, the houses would revert to the State just as they would have done to the original grantors of the lease, and in course of time the State would become the owner of a large amount of property from this source, although it is to be assumed that some of the iniquities connected with the present leasehold system, notably those which come under the heading of "dilapidations" would be abolished.

## **Chapter IV**

### **Town Versus Country**

MANY of our towns already own large tracts of land for public purposes, and in spite of all the difficulties and obstructions placed in their way, are gradually extending the areas owned by them. It seems such an easy solution, therefore, of the problem, to urge that community ownership of land should extend in the direction of the towns gradually obtaining more and more of it, rather than that the State should buy the lot. There is something to be said for such a proposal, but it is not enough, is a lazy man's solution, and a typical townsman's idea. The townsman likes to picture a community of people, each living in his nice little house, with a nice little garden attached to it. When it comes to tackling the land problem, he naturally pictures a series of big towns each with a nice big garden round it. As already said, this is an easy way of disposing of the problem, and we have encountered some quite advanced people who see no objection to the farming of this country being carried on ultimately by towns like Manchester, Birmingham, Leeds and Sheffield, which should extend their areas to embrace all the agricultural land between them and the next large town.

This purely townsman's idea completely fails to recognise the existence of a large country population with a character of its own. One can conceive of a rural population working in the interest of the whole community, it having its own full representation upon the governing bodies; but it is another matter to be treated as a mere appanage of a town. The growing hostility between town and country has been a feature of the past few years throughout most of the world, and has been made prominent by the war. In the half-starved countries of Central Europe and in Russia, the country, as producer of food, has fared better than the towns and has been accused of exploiting the inhabitants of the latter; in our own country the towns, the centres of manufacture, have for years controlled the policy of the nation in their own interests in such fashion that they almost ruined the food producer and made the agricultural labourer so low paid a worker that the very term has become a byword, and his has

become the lowest standard on which to base comparisons and rates of remuneration of unskilled workers.

The economic consequences of the war have increased the importance of the country as opposed to the town, and this tendency, we venture to prophesy, will grow. It is no solution of the land problem, therefore, to suggest that the municipalities shall acquire large tracts of land. A national agricultural policy is essential, and this must be elaborated in conjunction with a land policy, in which the interests of the whole nation are adequately considered and represented in other words, the nation must own the land and see that it is developed and worked in the interests of the entire community, country as well as town. This does not, of course, mean that the municipalities should not be encouraged to extend their ownership of land. One of the first things that a Labour Government will have to do when it is in power will be to pass a Bill enabling municipalities to acquire land with the utmost facility for all purposes; and, obviously, it will be much easier and much cheaper (although it will mean less work for the lawyers) if municipalities desirous of acquiring additional land for public purposes should have only one ground landlord to deal with, that landlord being the State. It may be asked, however, if the State is to own all the land, will it not put a damper upon the municipal patriotism of great towns like those already mentioned, for if they are to hold the land from the State and their rents are liable to be increased every few years, they will have no incentive to develop and make more valuable any land under their control. There is force in this objection, for much of the increase created in the value of land may be due to the work and expenditure of local bodies; if Manchester extends its tramway system five miles to a certain estate, it is the citizens of Manchester who have given that estate its enhanced value. This difficulty may be overcome in two ways. Fair rent courts, or whatever authority it is that will fix the rents periodically, could take into full account and exclude from any increase, the rise in value due to local municipal activities as distinguished from the rise in value occasioned by national action, e.g., railway extensions or improvements, a guaranteed price for wheat, etc. Or, in the case of all land leased to municipalities, the State might from the outset exempt them from rent revision, thus allowing the total increment in value to go to the town.

Although it is not suggested that the State should acquire houses, shops and buildings, but should become the ground landlord of the country, there is one industry in which it is essential that the State should at the same time become owner of the buildings, viz., agriculture.

The working farmer is in a different position from any other class of manufacturer or trader in that he must reside actually upon the land he cultivates. The man who goes to a shop or factory need not live and sleep on the spot; it may be desirable that he should live within a certain distance of his work, but so far as his particular job is concerned, it does not matter whether he lives in one street or another, or, East, North, West or South of his shop or works; but the farmer must live among his cattle, he or someone must be in constant attendance upon his horses, poultry and stock having to be fed at fixed times, whilst changes of weather may involve quick action at any moment. In this particular industry the dwelling houses and, of course, the barns and other outhouses, are an integral part of the business and must go with it. It is essential, therefore, that the land constituting a farm and the buildings thereon, should be under one ownership. This has already been recognised in the case of small holdings, the County Councils providing both the land and the buildings thereon. In other words, in the case of agricultural land, it will not be sufficient for the State to become merely the ground landlord if the original owner is left free to charge the tenant what rent he pleases for the farm buildings, and the State would not be able to give satisfactory security of tenure to a farmer unless it, at the same time, owned the buildings and all permanent improvements thereon, including labourers' cottages. Until this occurs, with the abolition of the present iniquitous system of tied cottages, there can be no such thing as real liberty in country districts. It is obvious also that with the State the owner of farm buildings, barns, etc., these would all, in the national interest, be brought up to date and maintained in such manner as to produce the most efficient service; there would no longer be half ruined and utterly defective buildings on account of the poverty of any particular landowner, as it would be manifestly in the interest of the community that everything conducive to the greatest possible production should be done.

## Chapter V

### Security of Tenure

WE now approach the difficult question of tenure, and here again we preach the doctrine that only the ownership of the whole land of the country by the community can bring about that simplicity and uniformity of tenure that is necessary to the most complete use being made of the land. Let us be clear about one thing at the outset. Land is a limited quantity, and no system of tenure can secure that every person in a thickly inhabited country like the United Kingdom, who so desires, can immediately enter upon possession of land; all that one can demand of any system is that it shall enable the largest possible number of people desirous of using the soil to do so, combined with the maximum amount of benefit to the nation as a whole; and in removing the thousand and one restrictions that do at present impede production and prevent people from securing the use of land, we shall approach the ideal aimed at. It is easy to say, let us increase the number of small owners, but if you had two million small owners possessing two-thirds of the land of the country, and the other third remained in the possession of big landowners using it for their own purposes, the nation would be a heavy loser. There are other objections, incidentally, to small land holdings which have to be acquired by purchase, e.g., that they are usually worked by persons with very little capital who have had to sink nearly all their cash in the purchase of the land. We are not opposed to small holdings and desire to see their extension, but the magic of ownership does not consist in the fact of possession, but in the knowledge that one cannot be turned out<sup>2</sup>—in other words, security of tenure. Give the occupant the same security of tenure as he possesses if he owns the freehold, and he will be perfectly satisfied. Of the applicants for land under the Allotments and Small Holders Act of 1907, ninety-eight per cent. desire to lease, and only about two per cent. to buy, the land.

No scheme of national ownership of land could for one moment be considered which did not give absolute security of tenure to all occu-

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<sup>2</sup> Actually no one possesses this absolute ownership, for the State, a municipal authority or a Statutory Company may at any time obtain powers of expropriation against compensation.

pants, provided they complied with all the regulations which would be applicable to all and would be framed in the national interest. In the case of persons who had already purchased their freeholds, they would be in a better, and not a worse, position, for, being bought out by the State, the capital they had already sunk in the purchase or part purchase of their holdings would be paid over to them and become available for working purposes; but all persons actually farming land, whether as owners or tenants, would be given the option of continuing as tenants of the State. This means that every tenant under any form of lease, be it for a term of years, or subject to yearly notice, would have the opportunity of acquiring the same security of tenure as was enjoyed by a freeholder.

What are the suggested terms of this State tenure to be given to all persons cultivating the soil, either as owners or tenants? It is suggested that the rent be fixed either by specially created land councils or fair rent courts (as to the constitution of which we have something to say further on), and that such rent should be revised every seven years. The Land Council in each district would keep a register of all State tenures showing the rent paid, and such register would be open to inspection. Some time prior to the conclusion of every period of seven years, the Land Council or Fair Rent Court, after hearing the existing tenant, would revise the rent according to circumstances, and the tenant would then have the option of continuing his tenure for another term of seven years or of giving it up. In the latter event, he would, of course, receive full compensation for all improvements effected by him. He would also have the right of appeal to a Tribunal constituted on democratic lines, as set forth in Chapter VII.

Could he sell his tenure? Why not? He cannot of course give a better title than he possesses, and the fact that the rent is liable to revision every seven years would effectually prevent any profiteering in land.

## Chapter VI

### An Agricultural Policy Necessary

IT is perfectly clear that, side by side with Land Nationalisation must come a comprehensive agricultural policy. The government of the nation must work out a policy in the interests of the nation it must know what it wants, and work resolutely for it, without paying heed to the great vested interests; the principal of these vested interests is private land ownership, and it is evident that if a comprehensive agricultural policy is essential to land nationalisation, land nationalisation is as essential to any thorough-going agricultural policy directed towards the public benefit. You cannot retain great private landlords with the power, in the aggregate, of depriving thousands of tenant farmers of their livelihood, with the power to divert the use of vast tracts of land to their own selfish purposes for sport or pleasure, and at the same time obtain from the soil those products that the nation so urgently needs. Not that this under-cultivation is necessarily wilful; one often comes across the case of a great landlord whose family has been in possession of a great tract of land, but who, from reasons not wholly connected with taxation and death duties, has become financially impoverished. The money for improvements, and even maintenance, not being available, there is a deterioration of building, fences, drains and everything essential to the cultivation of the land, with the result that the landlord himself becomes poorer, his tenant farmers suffer from the fact that their buildings and equipment have deteriorated, and the nation is the loser to the extent of the difference between that which is, and that which might have been, produced, and has to import more from abroad. We have been told officially by the Parliamentary Secretary to the Ministry of Agriculture (Sir Arthur Boscawen)<sup>3</sup> that "in 1913 we were importing £200,000,000 of foodstuffs which could be grown in this country." This statement is so important that we ask readers to ponder well over it. £200,000,000 in 1913 would have to be expressed by more than £400,000,000 to-day, and if in these days, when our whole financial position has changed for the worse, and when there are not enough foodstuffs to go round for the populations of the world, and

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<sup>3</sup> In House of Commons, 7th June, 1920.

prices are consequently exceedingly high, the admission that we could ourselves produce such an enormous amount of our own requirements, but are not doing so, is a more severe reflection upon the past management of this country's affairs by the class which has governed us, be it Conservative or Liberal, than the most violent statement or expression of opinion that appears in this book.

"But," the objector will remark, "you do not propose to stop at the nationalisation of the land; what you have in view is an interference with the man who cultivates the soil. If you wish the land to be cultivated according to a set policy in the interests of the nation, as you call it, it means that the cultivator will be liable to be interfered with by officials of the Board of Agriculture or the County Councils, who are going to tell him what he is to grow, what manures he is to use, and so on. Now can any man carry on his business if he is going to be interfered with like this? "The answer to this appeal to prejudice is that the cultivator is, indeed, to be subject to regulations laid down by properly constituted authorities in the national interest, and that while some of them may wax indignant at such gross interference, on the lines of the familiar case of the mother who protests against instructions as to the upbringing of babies being given by whipper-snappers of officials to "me that's 'ad seven children and buried five of 'em," the fact remains that (1) this will merely be the substitution of the power of the community to prescribe certain crop rotations and other regulations for regulations (many of them arbitrary and selfish) already laid down by private landowners; (2) that during the past few years we have already progressed along the road of such compulsion, and (3) that the community under Land Nationalisation will give the cultivator adequate compensation for any such interference with his liberty, in the shape of security of tenure and guaranteed prices or corresponding support, which must accompany any comprehensive national agricultural policy. During the war, the Board of Agriculture was given powers to compel owners to plough up grass lands, to remove occupiers who did not farm up to a proper standard, to give instructions as to crops to be cultivated and so on, whilst the action taken in connection with the provision of allotments and the remarkable extent to which town dwellers, in particular, availed themselves of this partial, and, alas, in many cases, temporary rendering available of land, will be fresh in the recollection of readers. After three

years of war in the year 1917 that section of our governing class which happened to be in power, in the words of the Parliamentary Secretary to the Board of Agriculture, when introducing the Agricultural Bill in the House of Commons on 7th June, 1920, "suddenly woke up to the grave national danger that we had run by neglecting agriculture, and we made frenzied appeals to the farmers to plough up their lands. We appealed to them to grow as much corn as possible ... the Food Production Department was started ... and it did effect a wonderful change. Something like 1,700,000 acres were ploughed up during the food production campaign ... and we did produce a great deal more food in 1917-18 than we had been producing."

So much for what has actually been done in the direction of compulsion, although it required a great European war to bring our governing class to the pitch of interfering with private property to that extent.<sup>4</sup> In the Agricultural Bill introduced in June, 1920, the war policy of guaranteed minimum prices for wheat and oats was permanently continued, but in the words of the official introducer, "if the State guarantees prices, the State must have some right to decide whether a farm is being farmed in a manner which is consonant with the national interests." Accordingly, power was taken in this Bill that if a farm was not being cultivated according to the rules of good husbandry, the State should have the power to appoint a receiver and manager to cultivate the land properly; the House of Lords, while retaining the guarantee of prices, deleted this to it objectionable provision, and subsequently the clause was attenuated in various ways, such safeguards as "without injuriously affecting the persons interested in the land or altering the general character of the holding" being inserted.

The provisions of the Agricultural Bill are referred, not by way of approval, but to show how far the ideas embodied in the principle of land nationalisation are being forced upon governments which, from their nature, are extremely reluctant to carry out a socialist policy; in fact, the provisions of the Bill referred to were criticised on this

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<sup>4</sup> For particulars of what was done under powers, how farmers were turned off their farms for bad farming, and the land made to yield more, see "A New Agricultural Policy," by F. E. Green, in this series.

ground by some members of Parliament, who were logical enough to see that if they were acted upon, it was a tacit admission of the Tightness of complete community ownership and control of the land. Unfortunately the proposals of the Government were marked by the same grave defect that characterises all their legislation, viz., that while desirous of effecting long needed reforms, they are governed by an unseen but very tangible power which says " you may patch up things, you may "make such changes as you think will avoid a revolution and prevent the ruin of the country, provided that you do not change the basis of the present system of private profit whereby we have become rich and powerful" Consequently, instead of going to the root of things, the Government endeavours to patch up the machine here and there and to remedy some of the most crying evils by enacting various penalties, ignoring the fact that so long as they possess anything like their present power over land and capital, the possessing class will always be able to find or rather to employ past or future law officers of the Crown to advise means of rendering null and void any such feeble enactments. Do these seem strong words? Why even the official mover of the Bill containing certain restrictive measures upon landlords showed how such measures are rendered nugatory, for Sir Arthur Boscawen, in the House of Commons, on 7<sup>th</sup> June, 1920, ten minutes after expressing one of the main purposes of the Bill in the following words:

"Therefore, without in any way introducing anything in the nature of fixity of tenure or dual ownership, but by giving greater security to the farmer for his capital and by making it very expensive arbitrarily to turn out a tenant we shall attain practically the same result and do an act of justice which is very much needed at the present time,"

gave a striking instance of how the land-owning class managed to get round legislation protecting the interest of the tenant. It has to do with market gardens, and we will let Sir Arthur Boscawen put the case in his own words:

"There can be no doubt about it that this is a form of cultivation which it is most desirable to foster and increase. It is an intensive cultivation of the soil. You often get three crops on the land at the

same time. You get your standard fruit trees, you get your other fruit trees between the standard trees, and the crop on the ground, probably vegetables or strawberries. It is a very high form of cultivation, making the best use of our land in certain places I do not say all over the country far from it, but capable undoubtedly of extension and in some districts there has been a remarkable extension, especially in the Evesham Valley, Wisbech, the Cambridge district, and in parts of the county of Kent and elsewhere. But there is a practical difficulty. In these cases the value of the produce, the value of the fruit trees, the value of all that the tenant has put into the soil, generally equals, and in many cases exceeds, the value of the land, and the pecuniary interest, therefore, of the tenant is greater than that of the landlord. The point is that if the tenant puts all this into the land, ought he not to get full compensation for it when he quits? I think the House will agree with me that he ought. The Market Gardeners' Compensation Act, passed a few years ago, provided that in the case of all holdings which had been agreed were market gardens, the landlord would have to pay out the full value of the fruit or vegetables to the tenant on quitting, but in practice that does not work, because, owing to the very high amount of compensation claimed under that Act, very few landlords now will agree to a holding being described as a market garden, and the result is either the tenant will refuse to put in this intensive cultivation, or else, if he does, he will lose his compensation, and, of course, that operates to prevent the extension of this most desirable form of cultivation all through the country"

Could a more damning indictment of the present system of land ownership have been framed? Here one sees how quickly the land-owning interest circumvents legislation designed to protect the man who is adding materially to the wealth of the country in precisely the direction most needed, and how it results in less production.

Only when the land of the country is publicly owned and this blind incentive to individual profit out of land ownership without regard to its effect upon the national well-being is removed will it be possible to pursue a clear and enlightened agricultural policy framed in the interests of the nation.

## **Chapter VII**

### **The Administration of the Land**

IN sketching a scheme for the administration of the land of the country undoubtedly a gigantic operation it is important that we should bear in mind that the purpose of the administration must be to secure its best possible development in the interests of the community. This does not mean that the maximum amount of cash 'profit is to be got out of it, for you might achieve that by means of taxation without necessarily benefiting the community. For example, an American or Argentine millionaire might buy up the county of Sussex and turn it into a game preserve, putting out of cultivation the thousands of acres that are at present under wheat and other crops in that county. He might be taxed very heavily for such land, and the community might indeed receive in that fashion the full annual economic value of the land; but as the nation would have to import a large amount of wheat or other products of the soil to make up for the quantity which was no longer being produced, it would have to pay a higher price, so that our imaginary millionaire, deriving most of his income from the United States or Argentina, might be collecting with one hand from the population of the United Kingdom in the shape of an increased price for the wheat and other products it had to import from abroad, a sum equivalent to that which he had to pay in taxes; in other words he might be taking with the right hand what he had to pay out with the left.

There are many things vital to the community which cannot be expressed in terms of money health and happiness, for example and unless the land of the country is managed from this point of view there is no purpose in land nationalisation and, we will add, no hope of finding a satisfactory way out of the great social difficulties that will confront us during the next few years. Of course, the land should be administered as far as possible upon a satisfactory economic basis, but the important thing is to obtain entire control of the land and to direct it to the well-being of the community. This must be the guiding principle of the administration, which should be in the hands of expert agriculturists, balanced by representatives of different sections of the community. There should be a National Land Council of,

say, seven members, one of whom should be the Minister for Lands and Agriculture, three should be appointed respectively by the ministers of Land, Health and Food, and the remaining three should be appointed from panels nominated by Farmers' Unions and Chambers of Agriculture, Associations of Small Holders and Allotment Holders and Agricultural Labourers' Unions. This National Land Council would be the , supreme authority, subject of course to the control of Parliament, in the same manner as the Post Office is to-day. The National Land Council would divide the United Kingdom into areas corresponding as far as practicable with our present county areas, each such area having its Local Land Council<sup>5</sup> to which the National Land Council would delegate whatever powers it thought fit. The Local Land Council might consist of a number of persons, say from between twelve to twenty, half of whom should be appointed by the National Land Council so as to ensure the necessary infusion of expert direction, the remaining half being nominated, or selected from panels nominated by, the local organisations mentioned in connection with the National Land Council, to which should be added representatives of the County Councils. The advantage of the panel system, i.e., a certain number of persons nominated by different organisations representing different interests is that it gets over the difficulty of allocating one representative to each interest, which would be impossible owing to the number of interests concerned, and give the official element, who have to run the show, some slight latitude but not too much in the selection of the democratic element with whom they have to work. This provision may excite the ire of those fiery persons who object to officials of all descriptions and who inveigh against the tyranny of bureaucracy, while they submit more or less tamely, to the uncontrolled tyranny of private interests, but our reply is that our great modern services, if they are to work satisfactorily in the interests of the community, must be directed by bodies which contain experts representing a definite policy laid down by the central government, with representatives of the community; and such policy and such central government must, after all, in the main reflect the popular will as expressed by the general election. By such a scheme as is here outlined one would get the necessary amount of

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<sup>5</sup> The existing Agricultural Committees could be expanded into Land Councils.

control by the central government exercised side by side with the local authorities and sectional interests.

We can see no satisfactory way of securing a share in the management by the workers other than this system of panels. You must have somebody in control as Minister appointed by the State, the government of the day. If you allow to be forced upon him any person who happens to have a feud against him or who is quite impossible on the constructive side, your undertaking is not going to work; moreover, it is quite possible that the various trade unions and organisations which ought to have a say in the nomination of part of the Council may not be able to agree as to the exact constitution of their part of the Council, for you cannot give each union and each organisation its own particular representative. If, therefore, the various interests concerned nominate a panel of, say twenty persons from whom the responsible minister (or in the case of the Local Land Councils, the National Land Council) selects the quota of representatives, their area of selection is strictly confined to those who have been nominated for the panel in the manner described.

We must not picture these governing boards of the future as consisting of so many representatives of capitalism on one side of the table and so many representatives of labour or other special interests on the other. We are in this country approaching more and more a complete democratic system of government, and under any representative system the government of the day must more or less represent the community. If, for instance, we have a Labour Government in power, the Minister for Lands and Agriculture and the representatives of the other Ministries nominated by that Minister or by the Government will themselves be Labour men or persons prepared to carry out the policy of the Government. These remarks are applicable to all community-owned undertakings, and we have bestowed some attention upon this general question of representation of different interests, including the workers, upon the Councils of Boards of Management, as we are convinced that this is the direction Whitleyism or Industrial Councils will take in connection with community-owned enterprises, and as these things emerge from the academic into the practical stage it is necessary to think out the detail.

We are convinced that, in spite of the vehement opposition of vested interests, the whole trend of opinion is in the direction of vital

services becoming nationalised and that it is the nationalised undertakings which will have to show the way in joint control by the representatives of the community and the workers in each industry. It is of the utmost importance that these services should be successful, and should not be jeopardised by being placed under the partial control of persons selected because they have the "gift of the gab"; we have suffered enough from the fact that the government of this country has for a long time past been in the hands of demagogues, and Labour, now that it stands on the threshold of power, must be careful to avoid the errors in this respect of the older parties, who have brought the country to the state in which it finds itself.

The administration of the land of the country must be dictated by a definite land policy, which means that the government of the day will have to frame and pursue a definite agricultural policy. It is not for us here to lay down the lines of an agricultural policy,<sup>6</sup> but no reader will dispute the fact that the country must have a well-thought-out agricultural policy, and it should be equally clear that only under community ownership and control can any such definite policy be satisfactorily carried out.

Thus far we have written as though the functions of the Land Council or whatever authority administers the land, would be confined merely to agricultural land. This is, of course, not the case, and there would have to be an urban land policy as well as an agricultural policy. In such urban policy the local authorities, viz., county boroughs and urban district councils, are directly concerned, and the control of land (other than that coming under the heading of agriculture), collection of rents, etc., within the area of county boroughs and urban districts, might well be given to the councils already governing those areas.

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<sup>6</sup> See "A New Agricultural Policy," by F. E. Green, in this series.

## **Chapter VIII**

### **"Confiscation!"**

WE now approach the thorny question of what compensation is to be paid to existing landowners when their land is taken over by the State. There is an advanced section, numerically unimportant, but some of its members extremely active and able, which is absolutely opposed to giving any compensation at all. They say that the original proprietors of the land simply stole it, and because they and their heirs have lived on it ever since that is no reason why the community should buy them out. If a man steals a watch and sells it and the original owner claims it, the buyer has to lose his money; so why kick up a fuss about the hardship to the present owners of the land even if they or their predecessors did happen to have paid something for it. The people who talk like this realise so strongly the iniquity of private ownership of land and all the evils that have sprung from it that they become impassioned and demand what they consider to be merely a restitution of stolen property, and from this point of view they can establish quite a good case—so good a case that if all the land of the country were in the ownership of a few great families we should agree that the simplest form of dealing with the matter would be for the community to proclaim the land of the country national property as from a given date. Unfortunately, however, the matter is by no means so simple as that. We still have some very large landowners, but, speaking generally, the land of the country has become so parcelled out and most of it has changed hands so frequently within the last few generations, that to take it over without compensation to the present owners would bring about a complete breakdown of the whole social fabric. Quite apart from the hundreds of thousands of small owners who might easily be ruined by such a course, we have the fact that hundreds of millions of pounds of the funds of Insurance Companies and other institutions as well as of private persons are invested in mortgages on landed properties, and if the land, the security for such advances, were to be taken without compensation, these institutions would immediately become insolvent, and the millions of people who have invested the savings of years in life and endowment policies, the purchase of annuities, etc.,

as a provision against old age or for their families in case of death, would lose the certainty of getting what they had been paying for. If an Insurance Company is deprived of a large proportion of its assets it has a most valid excuse for not carrying out its obligations. But more than this: every person, every business concern, every co-operative society which had bought land, would find a large proportion of its assets gone, and the loss of confidence that this would create would bring down the whole structure of our present society without replacing it by anything equal to it, let alone better, for you cannot create overnight a properly equipped social state in full working order.

You would also have such absurdities as are portrayed in the following extract:

You would have the case of two wealthy persons who, in 1917, let us say, each owned land to the value of £200,000. Number one in 1918 sold all his land to 200 tenant farmers in lots of £1,000 each (this even figure is used for simplicity's sake), whereas number two retained his land. The State steps in and takes, without compensation ("resumes possession on behalf of the community") all land held on a given date. Landowner number two loses all his £200,000 worth of land and is reduced to want. His more fortunate fellow, number one, who sold his land a year or two previously, has his £200,000 snugly invested in shipping companies, breweries, cotton-thread manufacturing companies, Argentine railway shares, and the like, and finds it has grown to three or four hundred thousand pounds. He goes scot free, but the 200 unfortunate farmers who, out of their savings, had purchased his land at an average price of £1,000 apiece, lose the lot!

When analysed, it will be seen that the proposal of giving no compensation is too ridiculous to be discussed seriously; you do not solve the great social problems of this complex world by mere word spinning, and by pointing out, for instance, that the Crown is already the real owner of all land and does not therefore require to pay compensation; and so on. If any attempt were made to take land or any other form of recognised property for the community without compensation, it would have to be accompanied by such an enormous system of compassionate grants and pensions to the millions of hard

cases of ruin and impoverishment, that it would cost more in cash and administration than to give compensation on a reasonable basis in the ordinary way.

This is not an argument in favour of that too liberal compensation which our governing class almost always manages to secure for itself and friends when it comes to the community taking over anything; but it is just as well, once and for all, to dispose of the notion that you can remedy one injustice by creating another. By all means let wealth be taxed; but let the tax be on all forms of wealth, and do not ruin one person because by the hazard of fate, he happens to own one form of property, while you allow another to escape because he has the good luck accidentally to possess some other form of property. Certainly land is indispensable to the community, and those who own the land have their hand on the throat of the community, as it were, but this applies to shipping, coal, and many other things also. You might as well impose a special tax upon people with red hair.

If, on a given date, you introduced complete Socialism, by which each member of the community was assured of his or her full share of the annual income of the Nation, these difficulties would not arise; we shall ultimately reach that stage, but it will be by degrees, and until it is achieved, any attempt to take for the community some forms of property without compensation, whilst other forms of property are left undisturbed in the hands of their proprietors, would bring down with a bang the whole fabric of society and lead to a reaction worse than the existing state of affairs.<sup>7</sup>

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<sup>7</sup> From "The Case for Nationalisation," by A. Emil Davies, L.C.C. Allen & Unwin, 1920. 45. 6d. net.

## **Chapter IX**

### **The Finance of Land Nationalisation**

FOR the reasons given in the preceding chapter, we start off with the assumption that the community must pay compensation for the land when it takes it. The question arises: on what basis shall such compensation be assessed? and it is an extremely difficult question because conditions have changed very much through the war.

It is common knowledge that, expressed terms of money, the value of agricultural land has gone up very largely as a result of the war partly on account of the Government having guaranteed a fixed minimum price for wheat and oats, partly on account of the increasing tendency of large landowners to sell their estates, which gives tenant farmers the opportunity of purchasing their farms (too often at inflated prices), that being the only manner in which they can obtain security of tenure; but a goodly proportion of the rise in value is more apparent than real, for with our depreciated currency, when £100 has a purchasing power equivalent to about only £40 in 1914, it is evident that if land is now sold at double its pre-war value it is not really any dearer. On the other hand there is no reason why owners of land should escape bearing their share of the financial burden of the war any more than holders of Consols, who see what would have fetched £100 in 1914 now fetching, even in our depreciated currency, only £46.

There is also another point to be considered, and that is the scandalous underrating of land in the interests of large owners. It is a wicked thing that a man who asks an enormous price when it comes to a local authority wishing to secure his land for some public purpose, should have been paying for years, on an amount a great deal lower, rates to the same authority; such rates, it should be remembered, represent his contribution towards the common expenses for services of which he derived his full share of the benefit, and the man who pays less than his full share is to that extent robbing his fellows. Now it would appear to be a perfectly fair thing to take as a basis of value for acquisition by the community, the assessment for rating purposes of each particular piece of land. If this should be considerably below the real value of the land—well, the owner will have had

the benefit for many years past in that he has paid much less in rates than he should have done. If this sentiment appears revolutionary to some readers it may be as well to remind them that no less a constitutional authority than Sir Edward Carson said quite recently in the House of Commons that the State should certainly be permitted to acquire land at its rateable value. If it were desired to treat the landowners with some indulgence, a certain percentage could be added to this rateable value.

The sort of government, however, that the British people, in its wisdom, has hitherto chosen—or has permitted to choose itself—being composed largely of the landowning and capitalist class, is not likely to treat its friends in a manner so just to the community as suggested by Sir Edward Carson. Let us therefore boldly grasp the nettle and assume that such a government were to buy out its brothers, uncles, cousins and friends on the basis of full present day market values. We have no patience with people who say it would be impossible to ascertain the present value of the land of the country. Land changes hands every day under private enterprise, and its value is ascertained by professional men on more or less established principles, whilst in disputed cases arbitration can always decide the matter. Moreover, it has to be valued every thirty years or so for purposes of the death duties.

The value of a ground rent is arrived at by multiplying it by so many years' purchase, the number of years being in turn governed by the prevailing rates of interest that have to be paid on first class long-dated loans. At the present time about seventeen years is a representative figure, that is to say a piece of land bringing in a net annual rental of 6 would fetch about seventeen times £6, or just over £100. This would be technically described as buying on a six per cent. basis, for the rent would equal six per cent. interest on the purchase money. If, therefore, the State were to raise the money for the purchase of such land at anything less than six per cent. the difference (assuming the rent to remain unchanged) would represent profit to the State. Now the State need not pay in cash at all; it can pay in five per cent. or five and a half per cent. bonds without injuring the recipient, who would presumably require to invest his capital hitherto sunk in the ownership of land and now set free. If he held the bonds he would be receiving £5 or £5 10s. per annum as against the £6 he

used to receive from his land, but this difference is compensated for by the superior credit of the State (he will be sure of receiving his interest whether times are good or bad) and by the fact that his capital will now be in liquid form instead of being locked up in an asset that may not be readily realisable. If, however, he should not desire to hold the bonds, he can sell them on the market.

Suppose that the State paid in bonds bearing the higher rate of interest, namely £5 10s. per cent.; this means that on every 6 of existing rent or rental value the State would save ten shillings. One half of that annual saving, i.e., five shillings on every £100 of bonds created set aside to accumulate at six per cent. compound interest, as a sinking fund, would pay off every single bond in less than fifty-six years, with the result that not merely would the State be making an immediate annual cash profit on the transaction, but in less than fifty-six years the whole of the bonds would have been paid off and the land would become the property of the nation without any debt against it.

It may be asked, how large a sum would the State have to issue in bonds to buy up all the land? In "British Incomes and Property 1916," by Sir J. C. Stamp, the eminent Inland Revenue statistician, the value of agricultural land in the United Kingdom is estimated at £1,155,000,000. If we assume the value of farmhouses and agricultural buildings to be as much as £200,000,000, and add another £2,000,000,000 for site values, we arrive at an estimated amount of £4,000,000,000 which the State would have to issue in bonds to pay for the land of the country and the farmhouses and agricultural buildings. Mr R. L. Outhwaite, who proposes that "on an appointed day" the nation shall take over all the land without compensation, considers that the foregoing figures do not nearly reflect the actual market value of the land of the country. The exact amount is, however, of little importance, for the State would immediately secure for every £100 of expenditure, a rental equivalent to the interest and sinking fund on such expenditure, plus a profit margin as already indicated. What is of far more importance, however, than any monetary advantage on the financial transaction, is the fact that by such acquisition the nation would become the owner of the land on which it lives and could assure the full development of the national resources.

Before we leave the financial scheme it may be useful to deal with two further points in connection therewith, namely:

(1) Would not the issue of so large an amount of bonds increase the national debt to such an extent as to result in further inflation, which in turn would increase the cost of living?

(2) Would it not be fairer to the community to pay off the landowner by means of terminable annuities instead of giving him redeemable bonds, for even if these are ultimately paid off, the owner, when paid off, remains in possession of his capital on which he could continue to take toll of the community?

We do not consider that any appreciable inflation would result from the creation of national land bonds in payment of the land acquired. The creation of thousands of millions of war loan has undoubtedly been productive of inflation and higher living cost, but there is this enormous difference between the issue of war loan and the issue of national land bonds, that the former represent capital annihilated, used for destructive purposes, whilst every £100 of land bonds issued acquires, in exchange, a productive asset of that value. Furthermore, there is already in existence in the shape of advances on the security of land, an enormous amount of credit which would be paid off, so that a large proportion of the national land bonds would merely replace existing mortgage instruments. The fact that hundreds of thousands of persons, particularly farmers and others working their own land, would find themselves relieved of the necessity of locking up most of their capital in the ownership of their land (in order to obtain security of tenure) and the setting free of that amount of capital for the purposes of additional stock, implements, etc., would give a great impetus to industry and would result in a trade boom.

The question as to the superiority of annuities over direct purchase by means of the payment in cash or redeemable bonds, is based upon a popular misunderstanding of an intricate financial operation, for any sum can be expressed either in terms of one capital sum or of so many annuities and will work out at exactly the same in the end. It depends solely upon the number of years an annuity has to run. By means of compound interest a small sum put aside each year out of an annuity will, at the end of a certain period, equal any capital sum desired. Several Indian railways were purchased by the Indian Gov-

ernment by means of annuities, but the annuity holders, by voluntarily agreeing to put aside each year a small amount of their interest, built up a fund whereby, at the end of a term of years, they receive back their capital. Suppose a man were given his choice of: (1) receiving £100 of five per cent. loan stock, paying him five pounds a year interest for thirty-six years, after which the 100 was to be repaid him; and (2) receiving an annuity of six pounds for thirty-six years, after which he was to receive nothing further; there would be absolutely no difference to him or to the person who had to make the payments between the cost of these two methods. If, out of his six pounds of annuity, he invested each year the sum of one pound at five per cent. it would at the end of thirty-six years amount to 100 of capital.

To summarise, it will be seen that whether the purchase price be on the basis of the rateable value of the land or whether it be as high as present market values, the community which has the sense to nationalise the land will reap a monetary benefit in the one case a large one, but even in the worst case a not inconsiderable gain; but it cannot be said too often that the importance of making a money profit out of the financial operation is insignificant compared with the community obtaining complete control over all the land of the country and thus setting it free to be developed to the fullest possible extent in the national interest.

This will result in large areas at present used for game, hunting, private pleasure or other uneconomic purposes, being properly developed, which will add to the production of food and provide additional revenue. It will also secure that all future increments in the value of land arising from growth of population, municipal enterprises, improvements in means of communication, etc., will go to the community, so that the gain to the community from all these sources by the carrying out immediately of land nationalisation in a peaceable and constitutional manner would be greater than if, after another forty or fifty years' agitation, the whole land of the country could be obtained without compensation, or if, by means of rapidly growing land taxes, the owners were gradually to be taxed out of existence during that period. Great is the power of compound interest, and every year that the nation allows its land to remain in the hands of private persons, the greater is the nation's loss in the land not being

cultivated to its utmost capacity, and in so many thousands of people having to lock up in the purchase of the land they cultivate capital which they could employ so much more fruitfully for themselves and the nation in the purchase of instruments of production. The great thing is to secure national ownership and control of the land at the earliest possible moment, as cheaply as possible by all means, but as quickly as possible.

## Chapter X

### A London Success in Community Ownership

TOWARDS the end of last century the London County Council embarked upon an ambitious scheme of land ownership, involving the acquisition of a crowded area in the very centre, and consequently a most expensive part, of the capital of the Empire. We refer to the area between the Strand and Holborn which was occupied by Holywell Street, Clare Market, etc. In March, 1920, the Improvements Committee gave a report to the London County Council which deserves publicity, as it illustrates the success that a municipal authority can make if it buys up a whole area, even at a high price, and develops it on a uniform scheme. The report referred to is as follows:

#### *Holborn To Strand Improvement—Financial Results*

With the exception of one small plot the whole of the land surplus from the Holborn to Strand improvement has been disposed of, and we are now in a position to place the Council in possession of the financial results of the improvement.

The original estimate of the value of the surplus land was £4,088,300, but owing to variations in the actual line of the new thoroughfare and the incorporation of the surplus land of the Claremarket Scheme, the estimate was at a later date increased to £4,343,300.

It was thought desirable in forming the new streets that vault space under the footways available for letting with the building sites should be constructed simultaneously with the street work and thus avoid the disturbance which would otherwise ensue from time to time by individual construction of vaults, and it was decided that the cost of this was to be recovered in the disposal of building sites and, therefore, the total revised figure to be secured by way of recoupment amounted to £4,372,900.

The improvement, it will be remembered, was commenced at the Holborn end and the first plots were available for disposal towards the latter part of 1903. The first letting was that of a plot to Messrs W. H. Smith & Son, Limited, on the western side of Kean Street, dating from Christmas, 1903. This was followed by that of the land on the western side of Kingsway north of Parker Street and Great

Queen Street and, at considerable intervals, by the disposal of sites on the western side south of Kemble Street and on the eastern side of Portugal Street, whilst the disposal of the remainder, exclusive of the small plot in Drury Lane yet to be let, was effected before the end of 1919.

The disposal of the whole of the surplus land has, therefore, taken about sixteen years, which, in our opinion, is not an unreasonably long period when it is considered that the area dealt with is about fourteen and a half acres, a considerable portion of which, before demolition, was an insanitary slum area and property of inferior class. Notwithstanding many doubts as to the development which would take place, the whole has now been transformed into one of the principal thoroughfares in London. It should also be remembered that during this period operations were seriously affected, first by general depression in the property market following the South African War, then by the strikes in the building trade, and for five years by the European war.

Land has been sold for various public purposes, and many reinstatement sites provided for businesses required to be displaced for the carrying out of the improvement.

The result of these operations gives the following figures:

Lands sold ... ..	731,416
Land utilised for reinstatement and for the Municipal Lodging House, based on the values at which it stood in the original estimate ... ..	225,191
Ground rents (including the unlet plot of say £240 a year) amounting to £144,989. This sum if capitalised on the same basis as was used for the purpose of the original estimate would produce ... ..	<u>4,059,692</u>
	5,016,299

representing an increase of nearly fourteen and three-quarters per cent. above the original revised estimate.

The approximate financial results of the improvement to the 31st March, 1919, are as follows:

Gross expenditure ... ..	4,977/635
Less Surplus land brought into last valuation ...	£3,234,329

Sales ... ..	<u>674,782</u>	3,909,111
Net capital cost ... ..		£1,068,524

With regard to the surplus land valuation, the figure of £3,234,329 is the value which was included in the return to the Treasury as at December, 1918, and this was based upon a valuation as at December, 1914, and has not been varied in accordance with the actual rents which have been fixed since 1914. The comparable figure of £4,059,692 used in the previous calculation has regard to rents actually established, capitalised for the purposes of comparison with the original estimate of surplus land at the same multiplier as was adopted for the original estimate. Many of the rents and the multipliers used for the purposes of the Treasury return in December, 1918, were much lower than the figures referred to. The total of the sales (£674,782) excludes the value of land (£52,000) recently appropriated in connection with the London School of Economics and Political Science and the expenses incidental to sales have also been deducted.

The following figures are given indicating the effect of the accumulation of interest during the period of development:

Aggregate gross interest charge during period of development ... ..	£2,328,751
Less Rents (less drawbacks) ... ..	<u>485,950</u>
Net interest charge ...	1,842,801
Aggregate of yearly charges for redemption ...	<u>312,763</u>
Total charges on rate to 31st March, 1919 ...	£2,155,564

The approximate position in about five years' time, when all peppercorn and progressive rents have ceased, and the full rental is received, will be as follows:

Interest charge ... ..	103,000
Redemption charge ... ..	<u>26,000</u>
	129,000
Less Rents ... ..	<u>144,000</u>
	15,000

Moreover the charge for interest will decrease each year by from £1,000 to £1,500, as the debt is repaid, according to the rate of earnings of the sinking fund. It may be anticipated, therefore, that in the



In connection with the time taken to develop the surplus lands, reference may also be made to improvements carried out by other authorities than the late Metropolitan Board of Works or the Council. Among such may be mentioned the land at Whitefriars belonging to the City Corporation. The City end of Victoria Embankment which formed the estate lying between Temple Avenue and John Carpenter Street, was completed in 1870. It was not until a quarter of a century afterwards that the last of the sites was disposed of by the City Corporation. The land now forms an extremely valuable estate more than justifying the action of the Corporation in refusing to part with their property on inadequate terms. In the case of Holborn Viaduct the Corporation had a large quantity of surplus land which took years to dispose of, and this also now forms an exceptionally valuable estate. In the case of Victoria Street, which was carried out by commissioners specially appointed, the last plot of surplus land was not developed until nearly fifty years after the formation of the street.

In drawing comparisons with other improvements, it must be remembered that the Holborn to Strand improvement presents features unlike any of its predecessors. It was conceived on bold lines and depended for its financial success upon the extent of the area taken for recoupment purposes, and from the point of view of magnitude alone was not comparable with any other scheme. In our report submitting the scheme to the Council on 5th July, 1898 (p. 788), we stated that the proposed improvement was one which would effect a complete alteration in the character of the entire district between the Strand and Holborn of a nature far greater than that of any ordinary street improvement, and that its effect would spread over a larger area and would take a long time before it could be fully appreciated. This effect can be evidenced by a comparison between the rateable value of the property acquired and that of the premises erected or to be erected on the new sites. The total rateable value of the properties on the site of the improvement was £92,427. The present value of the properties already in assessment is £177,264 and when the buildings in course of erection, or to be erected, are completed the rateable value estimated on the basis of the present rent standard will be brought up to a total of £352,000, nearly four times as much as the rateable value before the improvements, or an increase of over two hundred and eighty per cent. We think that it may fairly be assumed

that the cost of public services such as cleansing, lighting, public health, police, poor-law, etc., is no greater in the area of the improvement than it was before the improvement was carried out, so that the increase of rateable value is a clear gain to the community. This is an important consideration which is not as a rule brought into account in considering the execution of large improvements which entirely change the character of a neighbourhood. The improvement has also had a beneficial effect on property values in the neighbourhood, but complete figures on this point are not yet available.

Here ends the report of the London County Council Improvements Committee. It will be noticed that mention is made of the fact that the properties adjacent to the improvement have been enhanced in value thereby; this is of course obvious, as is the circumstance that if the community had owned all the land, such increased value would have accrued to it instead of to private interests. But note! In virtue of existing laws, framed by a class hostile to the community owning anything, the London County Council must sell all these ground rents by the year 1959.

## Chapter XI

### Some Common Objections

*"Though I admit the justice of the claim to community ownership of land, I cannot help regretting the necessary breaking up of beautiful old country estates and their stately parks which we may now walk through and enjoy by the unselfish kindness of their owners"*

We would not belittle the mellow beauty of old English estates, though the pleasure derived from them by the general public is very limited—for one mile we may walk across, keeping strictly to the footpath, there are hundreds of miles to which there is no admittance except on business. The question is, whether the nation can afford these areas of unproductive land, over which at the most a few cattle or deer graze; and when owned by the nation many of them will doubtless be used as food growing areas; in some cases, however, they can be thrown open as holiday grounds and public parks. If there were more of these beauty spots devoted to the restoration of town-stifled workers they would not become the crowded, paper-littered places we associate with the name of public holiday grounds. The steep mountain slopes of the Pennines, too rocky for agriculture, would be as beautiful and would gladden the heart of multitudes of people if they were made a national property, used only as a rural holiday ground, without the mountains' remote loveliness being perceptibly lessened. But objections to nationalisation of land from those who revel in country spots themselves but hate to share these with their fellow citizens, can be dismissed without argument, because it is only to those who desire that the land of their home country should be free of access to all who reside there and share in the country's work that a scheme of lane nationalisation will appeal.

"But is it not possible that the present benevolent despotism of the large landowners might be infinitely preferable to the control of an inhuman Government Department?"

Without going into the long story of the tyranny of the landowner over the countryside, the political and religious intimidation, and all the persecution of independent spirits, let us examine this benevolent despotism where it exists. The Duke of Bedford in his book "The Story of a Great Estate," gives a specially good example of efficient

and philanthropic administration. The smooth orderliness, the sense of obligation and the servility resulting from a lenient treatment of the farmers and villagers living in close contact with "The Hall" or "Castle" greatly adds to the cushioned comfort of a landowner's life. It is, moreover, amply paid for by his town property through which he levies, both on industry and commercial enterprise, leasehold exactions and fancy prices for business sites. The tenants of the Strand paid for his benevolent administration of his country estates. The citizens of London in general have contributed their share when, in buying fruit, flowers and vegetables, they covered the cost of the tolls at Covent Garden, which monopoly was worth to the Duke in 1866 15,000 a year and certainly had not depreciated in value when it was sold some years ago. The fact is that the "benevolence" pertains to the Duke's town tenants and is involuntary on their part, while the "despotism" is his own. The much feared bureaucracy of "inhuman Government Departments" will at least be free from unfair discrimination between one set of land users and another. Those who, as tenants, have had dealings with the estate offices of big landowners, know that they have encountered as much red-tape and more selfish shortsightedness at the hands of the bureaucrats and officials managing these estates than the most hidebound Government Department would be capable of; we recall the case even of a Duke, a big London ground landlord, who was prevented by his officials from giving effect to his own promise to make over a piece of land to an institution; and readers of Arnold Bennett's "The Regent" will recollect how, when "Denry" finally got face to face with the inhuman monster of a ground landlord in whose name officials and solicitors rigidly refused any concessions, he found His Grace was wheeled in a perambulator by his nurse!

With the nation itself as ground landlord, inelasticity and unfair discrimination will be avoided by decentralising the control and putting it into the hands of local Land Tribunals democratically elected, as outlined in our scheme.

*"Then who will pay for this new Land Ministry with its inevitable horde of officials at high salaries?"*

The cost of the new administration of the nation's land will be met from the same source as for the present administration, viz., land rents. The rent paid by residents, farmers and other users of land will

be paid to the National Exchequer and over and above the cost of administration will eventually form a national asset far greater than all other sources of revenue. What becomes of land rents now? These are paid to, and are spent by, private landlords. Even those who live on their estates and claim to administer them efficiently exact a very high salary for these services. What land administrator in a State Department would be paid the equivalent of the Duke of Bedford's income? Since 1914 the number of highly paid Civil Servants has been very considerably increased. The report of Mr Stanley Baldwin, Financial Secretary to the Treasury, in the Parliamentary papers of June 22nd, 1920, showed that there are 210 officials receiving £2,000 a year and upwards. We have 2,689 landowners in possession of over 2,000 acres of land, and the rents paid to them constitute a national expense greatly in excess of the probable cost of national administration of land. Add to these the crop of 7,518 landed gentry living on the rents of from 500 to 2,000 acres,<sup>8</sup> and what Government Department ever employed anything like that number of officials. Moreover, we have no competitive examination or any other test of the efficiency of these chance-appointed or self-appointed land administrators.

We all grumble at taxation, levied at the will of our Parliament for the expenses of the whole nation. Yet we pay without a murmur the hydra-headed private tax, levied by a handful of landlords for the benefit of their own pockets. This tax is like a net strangling the nation a net so fine that it cannot be seen at a casual glance, but once detect one or two of its crosswise and lengthways strands and the whole pattern of the mesh is revealed to us. Here is one strand. The royalties on every ton of coal got from the ground amount in all to £6,000,000 a year. There are also way-leaves both under and above ground in addition. This is all paid for by the consumer in the price of every commodity in the manufacture of which coal is used as well as in the price of coal for household use; to tell us this represents only a few pence per ton is beside the point, and might be used to support collection of a royalty on the air we breathe. And this is only one strand in the mesh.

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<sup>8</sup> Classification from "New Domesday Book," quoted by Sir J. C. Stamp in "British Incomes and Property, 1916."

In the price of our home-grown food there are included land rents, market tolls, and railway freightage. The latter is unnaturally high owing to the fact that the railways still have to provide interest or dividends on capital raised to pay the altogether exorbitant charges for land over which the lines are laid. Our railways in this country cost us £54,000 per mile to build as against £30,000 in France, £26,000 in Prussia, and £14,000 in America.

The greatest hope of cheap production in the future is a cheap plentiful supply of electric power. But the appetite of the landlord has first to be satisfied. The electricity undertaking has to make terms with landowners for way-leaves for underground cables and overhead wires to convey the current. In a report before the Royal Society of Electrical Engineers a number of typical cases were quoted where landlords bargained, haggled, and used every method of obstruction to obtain a high price for allowing wires to be carried through the air over their land although the area of land interfered with by the supporting poles was negligible, and in some cases not on their land at all. The rent charged for underground cables through private land, which in no way interfere with agriculture and are not usually disturbed for five years or more, is commonly the full agricultural rent; in other words, to run a cable under an acre field frequently costs as much as the farmer pays in rent for the entire field.

Power Companies are at the mercy of the owners of our land, air, and water, because of their dependence upon a plentiful supply of water. Steam-produced electricity requires a gallon of water per minute per horse-power of electricity produced, and as an average factory will consume something like half a million horse-power a day, it will be evident how an unscrupulous landlord can exact rent for sites containing a flow of water. A national supply of cheap power can only go hand in hand with SL national land system.

"What is to happen to such people as a friend of mine, who has saved all his life and has recently bought the freehold of a little place and built himself a house? Is he to lose his right of ownership and begin paying rent again?"

This is answered in Chapter III.

## Chapter XII

### Land Settlement Schemes

LAND settlement schemes of one sort or another have been in progress for many years in some countries, particularly those desirous of attracting settlers from the Old World, but the War has given a great impetus to all such schemes and has induced many countries to give new facilities to ex-soldiers who wish to make a living on the land. In the older countries where land was already fully occupied, if not fully cultivated, this has involved state interference with existing ownership, and as, in this matter one country has not slavishly followed another, the various methods adopted or proposed are of considerable interest, and some of them will undoubtedly give valuable ideas and afford useful precedents to land reformers in future.

#### *United Kingdom Of Great Britain*

*Small holdings* are offered to officers of His Majesty's Forces with capital at a "fair rent," or can be purchased outright by instalments spread over a period not exceeding sixty years.

*Loans.*—Officers with insufficient capital can obtain loans on the basis of £1 for every £1 of capital possessed by the applicant.

*Profit Sharing Settlements* open to ex-service men without capital but with some previous experience in agriculture also to officers who have risen from the ranks. There are ten of these settlements and the chosen candidates are settled either as individual small holders or as members of a working community sharing the profit derived from the working of the settlement as one large farm. Facilities for procuring machinery, implements, etc., from the Central Farm under the management of the Director whose advice and assistance is at the service of all the settlers.

*Women.*—Ex-service women are eligible to apply for small holdings on the same basis as officers if they have served at least six months on the land and possess sufficient capital. The claims, however, will not take precedence over that of any officer.

*Training.*—Two thousand grants have been made to officers for farm training as residents with individual farmers and 100 Agricultural Scholarships at approved universities and agricultural colleges. These grants did not exceed £125 per annum for two years for

unmarried officers, 150 for married officers with £24 for each child under 16, up to a maximum of £96.

*Ex-Service Men* have been placed as labourers or farmers as a preliminary to acceptance as settlers.

*Women.*—No training schemes. As the land in the Mother Country is limited and does not meet the demand, Great Britain offers in certain cases free passages to men and their families who have purchased land settlements in the Dominions. This involves free third class passages for a discharged officer or man going to assured employment and for his dependents (i.e., legitimate sons and daughters and stepsons and daughters). The privilege will also be extended to the widows and dependents of ex-service men, provided that they are entitled to draw pensions from Imperial Funds as well as to ex-service women.

The preference given to ex-service men over civilians ceased on December 1<sup>st</sup>, 1920. The following table shows the amount of land acquired by municipalities to meet the demand from ex-service men in their area: in England and Wales 47,943 have applied for 826,540 acres; 163,778 had been allotted to 11,503 applicants on December 31<sup>st</sup>, 1920; a total of 242,761 acres had been acquired and County Councils were negotiating for another 11,889 acres. It is to be hoped that when the claims of ex-service men have been met as far as possible, the inducement and efforts to extend the land settlement schemes will not flag. The land hunger of civilian workers of all kinds is a very real thing, and it is to the good of the community that it should be satisfied.

## **Tables**

Not reproduced...

## **Land Settlement Schemes**

### *Australia*

Under the Federal Acts States have power to assist the settlement of Australian soldiers on the land. The Federal Government makes a grant of £500 per settler to the State.

*Eligibility.* This involves residence in Australia prior to the war and membership of Naval, Military or Nursing Services.

*Advances.* All financial assistance shall be by way of loan which shall bear interest at a rate of not exceeding five per cent. per annum, but interest is chargeable on only so much of the loan as exceeds £50.

*Sustenance.* Payments may be made for sustenance while waiting for land and during apprenticeship or training up to four weeks.

*Grants* up to £10 for purchase of tools. Up to £25 for furniture as well as certain travelling expenses, vocational training fees, etc.

*Women.* These Acts can be made to include ex-service women, but it is doubtful whether their applications would take precedence of any soldier. The areas coming directly under the Federal Schemes are the Northern Territory Federal Capital Territory, Papua and the Pacific Islands. Certain increased advantages are offered by other States.

### *Queensland*

Three large areas have been set aside.

*Beerburrum.*—51,000 acres given principally to pineapple growing. Here there are 48 farms of 200 acres each which have been planted with pineapple by the State. There is also a training and experimental farm, a General Co-operative Store, State Butcher's Shop, Public Hall and Library.

*Pikedale.*—17,400 acres for general fruit growing.

*Oswald's Trade.*—157,300 acres for sugarcane growing, dairy farming and hog raising.

Beyond these there are several areas for closer settlement divided into farms of 300—1,000 acres.

*Terms of Settlement.*—Applicants fortunate enough to secure Crown Lands have to pay no deposit. There is a survey fee payable in ten equal annual instalments without interest commencing on the fourth year. From the fourth to fifteenth year the annual rent shall be one and a half per cent. of capital value. To meet the demands it has been necessary to resume lands granted or sold for other purposes and this acquired land is allotted on less advantageous terms.

A deposit of one year's rent is required. For the first fifteen years the rent is equal to the rate per cent. paid by the Crown as interest on purchase money.

*Conditions.*—Bona fide residence during the first five years and no transference. During the second five years transference to a qualified discharged soldier only is allowed.

*Government Saving Bank.* Advances can be obtained of £1 for a pound's worth of work done on the security of agricultural land up to £500.

*Terms of Advance.*—Repayable during forty years or less. Interest first year three and a half per cent.; second year four per cent. and an increased rate of one-half per cent. until the rate equals that payable by the State, but in no circumstances shall the rate exceed five per cent.

*Women* are eligible for all these advantages. Widows and widowed mothers of soldiers, including "a woman legally separated from or divorced from her husband or permanently estranged and not supported by him or whose husband is an invalid and dependent upon her," can apply to purchase land or a dwelling house. The Board becomes the owner up to £100 of land or £700 for house and land, the rent not to exceed 6s. a year, the tenant to keep the place in repair.

#### *Western Australia*

All Crown Lands still vacant (of which there is a considerable area) are set aside for discharged members of the forces. They are exempt from land rents for five years.

The State prepares the land for settlement and counts the cost as an advance or adds it to the price.

*Terms.*—Advances are made for purchase of land up to £25 at three and a half per cent. for the first year, increasing by half of one per cent. each year until the current bank rate is reached. In addition the Agricultural Bank will advance further sums at current Bank Rates.

The State has organised Group Settlements under expert directorships and training farms.

*Women* are eligible on the same terms.

#### *Victoria*

This State grants land to ex-service men up to £2,500 in value on a six per cent. basis (the interest being five per cent. per annum). The capital repayable over a period of thirty-six and a half years or less.

*Conditions.*—Residence is compulsory.

*Concessions.*—Where there is no homestead and the land is not likely to become reproductive for some time interest shall not be payable for a period of three years and the lease may be extended accordingly.

Training farms have been instituted and grants of scholarships and sustenance are made in certain cases.

*Women.*—The scarcity of Crown Land makes the chances for women very remote unless they have capital and can purchase privately. Women, however, are farming in some districts.

#### *New South Wales*

In this State the system of group purchase of land has been carried out to a considerable extent. A large area of Crown Land acquired by the State is divided into fifty farms of varying areas according to the industry suitable to the district. The groups of fifty farmers work co-operatively to some extent.

The State has set up and owns a store, bacon factories, evaporators and canning factories in the fruit areas and the more expensive machinery. The settlers are gradually repaying the capital with moderate interest and will become co-operative owners.

*Terms.*—The purchase money is six per cent. of the total price as deposit and of this three per cent. of outstanding balance is taken as interest. The first payment is due twelve months after confirmation. The terms extend over thirty-eight years.

*Concessions.*—The State has power to suspend the first, second and third instalments in consideration of improvement of equivalent value having been made by the tenant.

*Advances.*—Financial assistance is offered up to £500 for tools, drainage, etc., making a total maximum of £2,500 or £3,000. Interest on advances to be three and a half per cent. for the first year rising by a half per cent. annually but not to exceed five and a half per cent.

*Sustenance.* Grants during training and for six months during the first two years of settlement rate for single man £1 per week, a married man £1 10s. and 2s. 6d. for each child (up to four children) under sixteen years of age. This covers the unmarried wife and ex-nuptial child.

*Conditions.*—Freehold title is granted only after full payment has been made. Residence for five years is insisted upon.

Suburban Holdings are also granted on a system of lease in perpetuity.

*Terms.*—Rental of two and a half per cent. on notified capital value which is subject to revision at the end of twenty years.

*Conditions.*—Residence for five years.

*The State as Partner.*—An interesting system of share farming is being tried. The State and the settler co-operate on a profit sharing basis. Beyond the stock which can be bought by each settler out of the £625 advanced, sheep and cattle will be supplied free by the Minister of Agriculture.

*Terms.*—From the yearly profit the Minister will deduct (a) six per cent. of said profits; (b) interest at rate of six per cent. on value of animals supplied and on all sums of money expended in conveyance, etc.; (c) four per cent. for administration and control; (d) the sum of three shillings per sheep which is the estimated depreciation.

The settler will be entitled to the balance of net profits and to all lambs, calves, etc. Dairy cattle can be hired at £1 10s. per year and the settler and the State each take half the calves.

### *South Australia*

No special advantages beyond the terms of the Federal Acts.

### *Tasmania*

Land offered on deferred payment by fourteen yearly instalments, the first to be paid at the end of the first year. Interest not to exceed five per cent. Rates and taxes are remitted for four years.

*Advances.*—For tools, buildings, etc., up to £400, at three and a half per cent., rising by one-half per cent. to five per cent.

*Conditions.*—The applicant must go into residence within two years of date of lease and reside on the land for at least eight months in each year. Residence by wife or any child over eighteen years to count. No transfer or mortgage without consent. The lessee has to improve his holding to a value of two and a half per cent. during each of the first ten years.

*Women.*—An experiment is to be made with twenty women with sufficient capital and some agricultural experience. The terms, however, are not so advantageous. Rent five per cent. of capital value, and five per cent. on value of any buildings plus two and a half per

cent. Sinking Fund. If there are no buildings, half the cost of erection would be advanced on the same terms.

### *South Africa*

Ranching is the chief land industry, on account of the scarcity of surface water, ordinary cultivation requires artificial irrigation.

Closer settlement, however, is being entered into both on dry lands and in irrigation settlements.

*Eligibility.*—Small holdings may be obtained by any would-be settler and, so far as can be ascertained, no special terms are offered to ex-service men.

*Terms.*—A five years lease which may be extended for a second five years. No rent is payable for the first year, two per cent. on purchase price during second and third years, three and a half per cent. during fourth and fifth years, four per cent. during the second five years. Option of purchase at any time on payment of capital value but full total granted only after ten years have elapsed.

*Conditions.*—Residence for at least eight months in each year. Sub-division, transfer and hypothecation of holdings without approval of Government is prohibited.

*Advances.*—Up to £250 for stock, tools, etc., repayable within five years. Interest four and a half per cent. The Minister may effect permanent improvement and add the cost to the valuation of a holding.

*Sustenance.*—Up to £5 per month pending reaping of a crop.

### *NEW ZEALAND*

*Eligibility.*—Bona fide resident in New Zealand prior to the war and discharged member of any of His Majesty's Forces.

*Tenures.*—Freehold by cash or occupation with right of purchase or renewable lease.

*Occupation with Right of Purchase.*—Term, twenty-five years; rental, five per cent. on capital value. Right of purchase after six years or option of a renewable lease after twenty-five years.

*Renewal of Leases.*—Term, twenty-six years; renewable perpetually; rental, four per cent. on capital value.

*Conditions.*—No transfer of land permitted for ten years.

*Advances.*—At the rate of five per cent. advances are made for clearing a mortgage or purchasing land up to a total of £2,500. For fencing stock, dwelling house, etc., an additional £500 is advanced.

Applicants are chosen by ballot, preference being given to ex-service men, applicants who have applied several times successfully and landless men with dependents.

### *Canada*

*Eligibility.*—Any discharged member of His Majesty's Forces who served outside the country where he enlisted. Widows of men who lost their lives in the war.

Those who were not resident in Canada prior to the war will be required to pass a test of fitness to farm and produce capital twenty per cent. of purchase price of the land.

*Loans.*—Up to £800 for land, £400 for live stock, £200 for buildings and improvements, repayable in not more than twenty-five equal annual instalments and bearing an interest of five per cent.

Training schemes are in existence for which loans are advanced.

*Sustenance.*—No subsistence allowance is granted, but wages are paid by the farmers who employ trainees after a certain amount of experience.

Implements are sold by the Board at specially cheap rates.

### *Czecho-Slovakia*

The Land Reform Bill passed by the Czecho-Slovak National Assembly on April 16<sup>th</sup>, 1919, deserves special notice. Under this Act no one person can own more than 150 hectares (about 370 acres) of arable land (fields, gardens, vineyards, hopfields) or 250 hectares (about 618 acres) of land in general. Beyond this area estates are confiscated by the Republic and become national property. A land office is being set up under a Ministerial Council which shall distribute this land among landless men, small holders and small farmers, special consideration being given to the claims of discharged soldiers of the State.

Grants are also being made to Co-operative Societies and other associations of public utility. Many of the large estates were in the hands of German proprietors and have been confiscated without compensation. In other cases, however, indemnities are paid at an agreed price or at the price fixed by the Courts. No great difficulties seem to have been encountered in arranging terms.

An excellent pamphlet has been published by the Czecho-Slovak Foreign Office, describing this reform and giving the statistics show-

ing how great a proportion of the land was previously held by large landowners and setting forth the evils of the system.

Early in 1920 a Bill was introduced providing for the management of expropriated estates. According to this, the Bodenamt (Real Estate Office) will select reliable persons of experience to exercise an oversight over the managements of such estates. They will have the right to the accounts, make copies of the same, and demand the production of vouchers to give orders as to measures that must be carried out, and, if necessary, to have these executed at the expense of the farmer. In cases of gross neglect on the part of the farmer of expropriated land, the Bodenamt may institute a permanent supervision, and if this is not sufficient it may permanently take over the management. The farmer in the latter case will not be allowed to interfere in the arrangements of the official manager, but will have the right to inspect the books and accounts, and to have a voice on the sale of crops, raw materials, products, etc.

#### *Greece*

An Act has been passed in Greece by which landowners may keep only one-third of their estates and must surrender the remaining two-thirds to the peasants.

The portion retained may not exceed 100 hectares (acres). Landlords may claim compensation, which will be based on the peace time value of the land. Applicants for holdings must be members of farmers' unions which are to be formed. These unions will allocate the expropriated land and pay off the indemnities by a redemption fund extending over thirty years.

#### *Hungary*

In March, 1920, the Hungarian Minister of Agriculture gave the following outline of his scheme for land reform, formulated in accordance with suggestions made by experts:

Land is to be allotted only to those who are in possession of the requisite funds and have expert knowledge of agriculture. In regard to the question of compensation, efforts will be made to protect the interests both of the large landowner and the buyer. The simplest plan would be for the buyer to pay down the purchase price in cash, money being so plentiful at present, otherwise the owners' demands will have to be met by the issue of bonds. These securities are to

form a type quite separate from ordinary Government loans and are to be entirely unaffected by the fluctuations of such stock. Their cover can only be good when the estimate of the value and profit making capacity of the land which forms the basis of these securities is a thoroughly sound one. The execution of this reform scheme, which is to begin in the autumn, is to be entrusted to an organisation completely independent of the Government and of the parties concerned, so as to secure equity and uniformity in every respect.

### *Italy*

In 1915, owing to the necessity of greater food production, a Decree was issued authorising the prefects and military authorities to combat food difficulties and reduce unemployment by temporarily utilising the large landed estates. In 1918 came a further Decree relating to "agrarian mobilisation." As a result of these Decrees, between 1915 and 1919 4,000 hectares of land were commandeered and 4,000 additional hectares were voluntarily surrendered under the threat of compulsory expropriation.

After the Armistice the principles of these Decrees were ratified and rendered permanent by a Decreto-Legge in 1919 and in 1920 a qualification was introduced allowing expropriation only in favour of such agricultural concerns, co-operative societies, etc., as could give guarantees that they actually increased or improved cultivated areas. It provided also for the financial support of co-operative societies by establishing in the Credit Institute a special department for land credits.

A Commission was set up, originally composed of two landlords and two peasants with the Chairman of the Provisional Council as President, but as this represented two factions, sharply opposed to each other, causing obstruction, an addition was made later on of two technical commissioners, a registry official and an official of the Chamber of Agriculture.

This last Decree also removed the leasehold evil in Sicily at the same time giving that island its own special commissioner and thus takes an important step towards breaking down the capitalisation of administration, which has been universal in Italy.

It is interesting to note that the complete expropriation from the landowner and the permanent occupation may only take place after

two years and when the new occupier has given clear proof that he farms better than the old one.

### *Poland*

An Agrarian Reform Bill was passed by the Diet on July 16th, 1920, setting up an Agrarian Board with rights to appropriate the large estates. In Poland the large rural population of landless men has meant that big farms have been a rare exception and most of the holdings have been too small for intensive culture of the soil and most machinery has been too expensive for the small proprietor. This condition of things is responsible for the backward state of Polish agriculture.

Instead of the large estates, which occupy in Posnania thirty-six per cent., in the former Congress Poland, thirty-four per cent., in Galicia twenty-two per cent., of the whole cultivated land, new small farms of 15 to 23 hectares will spring up. The great estates are to have a fixed maximum of from 60 to 400 hectares varying with locality.

The landowners will receive an indemnity amounting to fifty per cent. of the market value of the land in their district.

### *United States of America*

A considerable area of vacant public land has been surveyed for restoration and made available for homestead entries for applicants, preference being given to ex-service men of the U.S.A. Army. For ordinary farming, up to 160 acres are allotted, but up to 640 acres may be claimed for stock raising.

Claims were open to ex-service men from December 9th, 1920, to March 3rd, 1921, after which date all lands may be claimed by American civilians, men or women.

*Conditions.*—Residence must be taken up within six months from the claim being allowed and must be continuous for three years (at least seven months in each year). Soldiers and sailors, however, may count their term of active service (not exceeding two years) as residence. One-sixteenth of the area must be cultivated in the second year, and one-eighth in the third year.

*Terms.*—Fees of small amounts up to ten dollars are due on application for land and on completion of proof of claim and fulfilment of conditions at the end of second or third year, the price of the land

must be paid which is ordinarily 1.25 dollars per acre, rising to 2.5 dollars per acre within the limits of certain railroad grants.

*Advances and Loans.*—No such facilities seem to be offered to farmers, nor does the Government supply stock or tools of any kind for the assistance of settlers.

*Women.*—No special preference seems to be made for ex-service women, but as civilians, women have equal rights with men. Married women, however, whose husbands do not propose to live on the homestead are disqualified, exceptions being made in favour of deserted wives or wives of incapacitated husbands.

### *China*

For centuries the holding of large estates has been legally prohibited in China. No one may own more than a few acres of agricultural land, and twenty acres is reckoned as a considerable holding. A landowner may lease a portion of his holding, but a minimum area (about  $1\frac{3}{4}$  acres) must remain under cultivation by the family. If land is not cultivated, the right of possession is forfeited. Without these regulations China could never have supported anything like her enormous population.

## **Chapter XIII**

### **The Land and Minerals**

NATIONAL ownership of the land should include ownership of the minerals found therein. We do not propose to dilate upon the evils arising from private ownership of minerals, as this is already generally recognised; in fact, the one point on which all four reports of the Coal Commission of 1919 agree, is to recommend State ownership of all seams of coal, and hence of the royalties. The Acquisition and Valuation of Land Committee (of which Mr Leslie Scott, Counsel for the Royalty Owners, was chairman) had, during the sittings of the Coal Commission, issued an interim report, in which at least fourteen defects arising from the present system of ownership of the seams of coal were pointed out, and in which it was proposed to set up a new sanctioning authority vested with power to issue compulsory orders to remedy these defects as to when they are in different cases found to exist. This suggestion was not considered drastic enough by any of the four Reports, and it was dealt with by the Chairman (Mr Justice Sankey) as follows:

I regard as preferable to this expensive piece-meal machinery that the seams of coal should be acquired by the State once and for all in one final settlement, together with all usual or necessary easements and rights incidental thereto, together with power to procure all such necessary easements and rights in the future. If the State only acquires the seams from time to time it means many arbitrations, many intermediate settlements, enhanced delay, and increased cost of administration. Once the ownership of minerals is vested in the State, it will be possible to fix upon a standard scale of royalties payable by those who exploit the mineral resources of the country, without the numerous unfair anomalies which exist at the present time.

The importance of nationalising minerals, as well as the surface of the soil, is strikingly shown by the case of petroleum. When, only a year or two ago, it appeared possible that oil really did exist in the United Kingdom, the Government (in 1917) brought in a Bill to con-

fer upon the owners of the land from which the oil was pumped, a royalty of 9d. per ton.

This handing over to ground landlords of a further tribute in respect of a mineral the existence of which they had not suspected, at a time when the national finances were well-nigh desperate, is typical of the mind of our governing class, but met with such general hostility that the Government withdrew the Bill, and up to the time of the publication of this book, no royalty on oil for the benefit of private owners has been imposed. Oil is undoubtedly one of the greatest sources of power of the future; and those countries which can secure it most cheaply, will have an advantage over others. It is the duty of the State, therefore, to do all it can to develop in the interests of the whole community any such resources the country is fortunate enough to possess; but it will be seen from what we have already written, that the first anxiety of the sort of Government we possess is to enrich a small class of people out of this unexpected discovery, which should be a source of national wealth.

The attitude of some other Governments, and, incidentally, of some enlightened and prominent business men in our own country, is so well revealed by the speech made by Mr J. A. Goudge, the Managing Director of the Buenos Ayres and Pacific Railway Company, at a shareholders' meeting held in London on 1<sup>st</sup> February, 1921, that it is useful to place the following extracts on record:

"Our expenditure on fuel has had the most phenomenal rise of any of our expenses. Speaking for the Pacific Railway, in 1915 we were spending about £500,000 per annum on fuel; last year we spent £1,500,000 an increase of £1,000,000 per annum. The other railways which are associated with us in the oil venture were, I think, in an even worse position. I think, in some instances, their fuel bills have gone up fourfold. You need no words from me, therefore, to justify the anxiety of those responsible for the management in seeking to reduce the fuel bill. I have no doubt that coal will go down in fact, I do not see how it can go up but let coal go down to what price is reasonably probable, we still believe that the production of oil in the Argentine Republic will enable us to make an economy of great consideration in our fuel bill. That is the first justification for going into the oil business at all, and I

think it is a substantial justification. Then, fortunately for us, we had available large areas of timber—a forest which we could cut. As soon as the pressure arose upon us we developed what I found on my last visit there to be a remarkable organisation for the cutting of these timber lands. We acquired control of very large areas and proceeded to lay down temporary roads, and I should think we have got well over 100 miles of provisional roads running to the forest districts, and we have organised enormous gangs of men, with all the necessary arrangements for feeding them, and we have been producing and consuming for the last two years about £1,000,000 tons of firewood per annum. But we could quite see the end of that firewood. There is no question about it, we are coming towards the end of it, so that there was no hope for us in the fuel problem there.

Then, as a further justification for going in for oil, I may mention that we have always had difficulties in making oil contracts. It is open to anybody—it is a fair criticism—to say: 'Why do you go in for oil? Why don't you make contracts with other people who will develop the oil?' Now, that oil must come either from the Argentine or from outside. In the Argentine, ever since the first discovery of oil at Comodoro Rivadavia, the Government have taken, I think, a wise precaution. They have said: 'This is a national asset. We will not permit for one moment that that national asset should be controlled in the interests of any private persons or firms.' I do not think that the Argentine Government will ever alter that attitude. That implies that any large producer who goes to the Argentine will have to face the avowed hostility of the Government if they seek to control or produce even largely the oil there. One does not know whether it is a wise step to take or not, but that is the attitude of the Argentine Government, and that involves this, that we do not see any possibility of making such contracts as would be of use to the railways with any large producer within a measurable distance of time. That rules that out. Then, as regards oil from abroad, we have tried to make contracts and, of course, our contracts would always run into very large figures with some of the producers who have, scattered over the globe, very various sources of production of petroleum. Now, none of those, even of

the largest, have ever suggested that they would make a contract with us for more than three years. It is very easy to change a few coal-burning locomotives, which are based upon a port, into oil-burning locomotives. You receive your oil in a tank from the ships, and can run your engines from that point with a comparatively trifling expenditure upon each locomotive. But when you have to face the alteration of your whole system throughout thousands of miles of line, the capital expenditure you have to incur becomes very considerable indeed. You have to make deposits at every locomotive shed, and you have to provide a quantity of machinery for dealing with the oil at each place, and, more than all, you have to provide the tank wagons hundreds of them for conveying the oil up country. Now, it does not pay any railway to consider the matter unless they have a secure supply, and it was to secure a supply of oil that we entered into the negotiations, with which I will now deal.

'Ten years ago I was in the Argentine and I induced the board to interest themselves in a very small way and put a small amount of money in a syndicate which was boring for petroleum down at Comodoro Rivadavia. I had special means of knowing what was going on there. The president of the Government Commission was a personal friend of mine, and I was satisfied then that in Comodoro Rivadavia the Argentine Republic had a valuable oil field. Since then they have gone on developing it, and I may say that the Government have done wonderful work down there. They are now producing between 250,000 and 300,000 tons of oil per annum. They are producing that out of a reserve which the Argentine Government wisely, in my opinion made at the very first discovery of the oil. Comodoro Rivadavia is in Patagonia, which is a waterless plain, and their port or roadstead at Comodoro Rivadavia and the small town there was absolutely devoid of water. They bored for water in the year 1907; they went down and down, finding bad water all the way. But at last they found gas and then oil, and it was the exploring for water that led to the discovery of the oil at Comodoro Rivadavia. Immediately upon discovery of the oil the Government decreed that no private persons should have any interest in an area of 5,000 hectares surrounding that well, and that

is called the Government Reserve. They thought, in fixing 5,000 hectares, that they had covered the oil field, but the oil field has proved unexpectedly large, and certain other persons applied for concessions immediately surrounding the oil field. A year and a half ago, fortunately, Sir Henry Bell and Sir Albert Bowen, the chairmen respectively of the Buenos Ayres Western and the Buenos Ayres Great Southern Railways were in Buenos Ayres, and they were approached by the Concessionnaires of 1,500 hectares immediately adjoining the Government Reserve, because that Argentine Company was in the familiar position of those who find oil—that is to say, they could not deal with it. I do not know whether you know it, but one's troubles commence immediately you have got the oil. You cannot deal with it without large capital expenditure in the way of transport and marketing. It is that fact that has resulted in so many oil properties having fallen into the hands of large capitalists, because large capital is necessary directly the oil is discovered. This company suggested that the railways would be interested. Sir Henry Bell and Sir Albert Bowen thought it was sufficiently good to look into. They became associated, and they asked us to join. We said, 'Certainly,' because we were convinced already at least, I was convinced of the existence of the oil field. We sent out the very best expert we could find, Mr Campbell Hunter, and he reported favourably.

"The result is that a partnership has been formed between the three railways concerned. There are no private interests in this matter at all. The interests are solely those of the railways, and this partnership will proceed to develop the properties of which we have obtained a lease from the Argentine Company. I think that the arrangement is one which is convenient to both parties. We simply reimburse the Argentine Company for its expenditure to date and enter upon a lease of the property, which we consider to be ample in point of time, and we pay them a royalty on all the oil we take out of their property—that is to say, there is no profit on promotion in the matter; we enter in upon bed-rock prices and pay for no more than we take out. I think everybody is to be congratulated—both the Argentine Company and ourselves—upon a fair deal.

"I will trouble you now with a few details about Comodoro Rivadavia. As I say, Patagonia, in the imagination of everyone, conjures up immediately a waterless, gravelly, flat plain. That is exactly what it is. It is a plain at a high altitude, and near the coast it is broken down by the water which falls during the scarce and very rare rainfalls. The result is that Comodoro Rivadavia is just a collection of huts on the seashore and a number of ravines running up into the high tableland beyond. As you know, it is without water, and the wind apparently blows there, as far as I can judge, all day and all night, and in the months I was there it was desperately cold. I was there in the winter, which, of course, was our summer. It is an uncomfortable place to live in, and it justifies the usual supposition that wherever you find petroleum it must be a desert. It is a desert.

"Fortunately it has the enormous advantage of being on the seashore. Oil may be discovered in other places in the Argentine, and I sincerely hope it will, but unless it is discovered absolutely upon the railway lines of an existing company I do not think the conditions will be as favourable as those at Comodoro Rivadavia for getting the oil to market cheaply. It is only four days' sail from Buenos Ayres and two and a half days' sail from Bahia Blanca, and I know of no field of oil so near a large demand, except in the States, as that of Comodoro Rivadavia. The Government, as I say, have done wonderful work down there. They have made a town, with all the amenities of life—hospital, cinematograph, club and everything else for their men, and it is absolutely necessary, if we are going to do anything of the sort down there, that we should contemplate the same thing. We cannot expect to get men to go to such a place and work contentedly until we do provide them with comfort. The area of the Argentine Company is about 1,500 hectares. More than half of that is already secured absolutely by title and the definite title to the rest, I was advised, could be obtained by sinking two more wells. Those wells are not in course of sinking. Mr Campbell Hunter reports that there is every probability of the bulk of that area containing oil. There are six or seven wells now producing on that property, but they are not giving more than about 2,000 tons a month. That, in the opinion of our expert, can

be easily remedied. All we have to do is to sink wells, for it is remarkable that at Comodoro Rivadavia no well that has gone down 500 to 550 metres has failed to reach the oil. I may tell you that that is a record in an oil field. Of course, we may be on the limit—nobody knows—but we certainly have a very good area now which is producing oil, and just before I got there, to the west of our area and immediately outside, another well had reached oil. I have a photograph here of that well; it is a very good well indeed.

"I do not know whether I can give you an idea as to when we are going to get oil in quantity, and I cannot, of course, know yet the actual cost of it, but from all the estimates we have had I think there is no doubt that if the oil is there in quantity we shall be getting it towards the end of this year 1921 in some quantity and at a cost which I do not think under any circumstances will be more than the cost of coal, as far as we can foresee. In other words, we have got, I think, every prospect of getting oil in the Argentine at the cost of coal, and I do not think I am exaggerating at all when I say that that is the prospect. I do not know what that will mean in the way of economy in our working expenses. One cannot foresee that. But I should certainly say that we have a very substantial hope that our working expenses after 1921, and certainly not before, will be reduced by reason of our oil production. I speak, naturally, subject to the contingencies of an oil field. One never knows in the New Hemisphere, which is subject to earthquakes, when a disturbance may dislocate the beds of oil. Such a thing has been known; it has occurred in Texas and in other places, and the oil wells which one day were giving quantities of oil the next day gave salt water. One cannot reckon on any such grave catastrophe as that, but, subject to that, I say we have taken every care to examine what we have got in the way of oil and to see that we have a property that will produce. Further than that, we are not paying for the property; we are only paying for what we get out of it. Naturally, we risk the cost of installation; that is our risk. If anybody is interested in seeing photographs either of our wood production or of Comodoro Rivadavia I have some here, and shall be very pleased to show them to anybody who wishes to see them.

"My concluding remark must be one of thanks to the President of the Argentine Republic and his Minister of Agriculture, Senor Demarchi, whom I saw, and whose kind assistance was of the greatest value both to our expert and to ourselves there in getting all the details about the Government Reserve and about our own property. I have their assurance that they will do everything possible to assist this project of the railways. They see in it a means of developing the resources of the Argentine without incurring any of the risks which might attach to a big private corporation which was engaged in oil speculation. They see as well as we see that there is a prospect of reducing the expense of railway working, and as we know that Governments are sure to be asked to increase tariffs it is surely much better that the Government should encourage a decrease in expenses rather than be asked for an increase of tariffs. We have, therefore, a strong position there, and I can only say that I confidently count upon the assistance of the Argentine Government in the furtherance of our scheme."

## Chapter XIV

### Miscellany

IN the following pages are given a number of extracts from speeches and publications of recent date, bearing upon the subject of national ownership of land and minerals. No liberties of any kind have been taken with the text, but, in cases where there are no titles or headings to the original, appropriate headings have been added.

#### *The Fall in Food Production*

In the year 1870 we had 3,761,000 acres under wheat, and in 1910 that had dropped to 1,856,000. Taking it in quarters, in 1870 we produced 13,500,000 quarters of wheat in these islands, and in 1910 that had dropped to 7,000,000 quarters. In the meantime, imports had increased enormously. The imports in 1870 were 8,611,000 quarters of wheat, and that had risen to 27,779,000 in 1910, with the result that whereas in 1870 we produced sixty per cent. of the wheat that was consumed in these islands, in the year 1910 we were only producing twenty per cent.

Take it from another point of view and let us consider the alteration in the character of farming. Arable land fell from 24,000,000 acres in 1870 to 19,000,000 acres in 1910. Pasture similarly rose from 22,000,000 acres in 1870 to 27,000,000 acres in 1910, or, in other words, the arable land of this country, which was fifty-two per cent. in 1870, fell to forty-one per cent. in 1910. Then, again, there is the number of men employed. The number of agricultural labourers in 1871—I am speaking now of males and females—was 1,905,000. In the census of 1911 that figure had dropped to 1,130,000, a loss of 900,000 men employed on the land, of 900,000 less countrymen and women in our country in that period of years. In fact we have got to this position. We were producing so little food in this country that, roughly speaking, we were just producing enough to keep the country going from Friday night to Monday morning, while from Monday to Friday we were living on foreign imports, so that we had become agricultural week-enders.

Sir A. Boscawen,  
Parliamentary Secretary, Ministry of

Agriculture, in House of Commons.  
7<sup>th</sup> June, 1920.

*Production Can Be Increased*

A great deal of land was ploughed up and a great deal more wheat and oats were grown, not necessarily entirely in consequence of the Corn Production Act, but as part of the policy to which the Corn Production Act contributed materially between 1916 and 1918. I find that the tillage of this country between those two years increased by 1,750,000 acres, and the acreage of wheat was increased by 750,000 acres, and of oats by 1,500,000 acres. Then I am sometimes told that it was all done wrong; that the wrong land was ploughed up; that the result was absolutely ridiculous. If you take the increased produce between the years I have just mentioned you will find that the wheat grown in this country increased from 7,500,000 quarters to 11,500,000 quarters, and oats from 21,000,000 to 31,000,000 quarters.

Sir Arthur Boscawen,  
in House of Commons.  
9th June, 1920.

*But has Decreased*

In Great Britain the area under wheat is 368,000 acres less than last year, and the information to hand does not indicate that this reduction has been compensated by an increased yield.

Mr McCurdy (Food Minister),  
in House of Commons.  
19th October, 1920.

*Number of Small Holdings*

The number of agricultural holdings exceeding 1 and not exceeding 50 acres in England and Wales in 1907, and in each succeeding year since that date:

Year ...	Number
1907 ...	289,093
1908 ...	287,176
1909 ...	288,011
1910 ...	288,802
1911 ...	292,488

1912 ...	292,120
1913 ...	292,446
1914 ...	291,722
1915 ...	289,689
1916 ...	284,153
1917 ...	278,556
1918 ...	275,334
1919 ...	272,568

Sir A. Boscawen,  
in House of Commons.  
23<sup>rd</sup> July, 1920.

NOTE—It will be observed that, contrary to the general impression, the number of small holdings in England and Wales is not increasing but is actually in process of diminution. The number of farmers in England and Wales is stated to be about 143,000.

*Less Production, But More Sport*

At meetings of the East and West Aberdeenshire Agricultural Executive Committees, held in Aberdeen, it was reported that several of the forests and grouse moors which had been open for sheep grazing during the past three years were now to be closed to sheep, and to be used entirely for sport. The committee viewed this with considerable alarm, and the secretary was instructed to report the matter at once to the Board of Agriculture for Scotland, and to point out the importance of steps being taken to prevent the return of these moors to their pre-war purposes the preservation of deer and winged game. During the present season something like 12,000 to 14,000 sheep were pastured on the forests and moors in West Aberdeenshire.

Glasgow Herald, 13<sup>th</sup> October, 1919.

*Land Sales and Hunting*

Earl Manvers, who resigned the Mastership of the Rufford Hunt yesterday, told the subscribers that one thing which would be detrimental to hunting was the cutting up of large estates, resulting in the gradual disappearance of large landlords. What everyone who cared for hunting must do was to teach the new landlords that one of their chief duties was to uphold the oldest sport of the country. The new

landlords might not understand it at first, but they must see that they did understand, and then hunting would prosper.

Daily News, 21<sup>st</sup> February, 1920.

#### *Food Plot Huts*

##### *"Eyesores" to Lord Bute*

It was reported at a meeting of the Cardiff Corporation Allotments Committee yesterday that Lord Bute has objected to the sheds put up by allotment holders at Llandaff, describing them as an eyesore and demanding that they should be taken down.

The chairman said one would have to go two miles from Cardiff Castle before coming in sight of the allotments. Permission to erect a bridge over a mill stream to enable manure to be taken to the plots had been withdrawn by Lord Bute. He had told Lord Bute that the removal of the huts was now impossible, and he replied that the Cardiff Corporation seemed to think they could do as they liked.

Councillor William Jones said this was abominable, and Councillor Smith said there was something more unsightly than allotment sheds in Cardiff, and that was the maimed soldiers in the streets. He suggested it was time Lord Bute got a better grip of things.

It was resolved unanimously to proceed with the erection of the bridge.

Daily Mail, 20<sup>th</sup> March, 1918.

#### *Selling A Town*

Shaftesbury, an ancient municipal borough in Dorsetshire, was yesterday purchased from Lord Stalbridge, for many years Chairman of the L. and N.W. Railway, by Alderman A. Ball, of Nottingham, the father of Captain Ball, of aviation fame.

Subsequently Alderman Ball resold the town to Mr James White, a well-known London financier.

Daily News, 4<sup>th</sup> September, 1918.

#### *A Peer Fined For Bad Cultivation*

Lord Pirrie was yesterday at Guildford Police Court fined £50 for failing to clean and cultivate Hole Farm, Thursley, after three notices had been served by the Surrey War Agricultural Executive Committee under the Defence of the Realm Act. His agent, William Beaton,

was fined £10 for aiding and abetting the offence. The farm, of 60 acres, adjoins coverts, and is stated to be cultivable.

Daily News, 13th March, 1920.

#### *Welsh Town For Sale*

Sir Richard Williams Bulkeley has instructed Messrs Knight, Frank & Rutley to offer by auction in October the town of Beaumaris and a portion of the Baron Hill Estate, extending to about 5,000 acres, lying in the south-east of the Isle of Anglesey and overlooking the Menai Straits.

Press Notice, 22nd June, 1920.

#### *Need To Unlock The Land*

##### *Sir J. Taverner Wants a New Cromwell*

"What is needed in the Mother Country to-day to ensure the continuance of the supremacy of the British race in the Dominions is a national campaign for the unlocking of the land to the people who want to get on it."

This view was expressed by Sir John Taverner to a Daily News representative yesterday. Sir John, who is gravely concerned about the neglect and indifference shown in this subject, is a member of the Empire Land Settlement Committee. He speaks with the authority of one who, as a former Minister of Lands and Agriculture in Victoria, has had practical experience of land settlement in Australia. He was also for nine years Agent General for Victoria in this country.

##### *Plenty of Men*

"When Haig took a poll of 90,000 of his men of all units in 1916, there were seventeen per cent. of them," said Sir John, "who expressed a wish to take up agriculture on their return if they could secure a piece of land. The terrible position to-day is that we have some thousands of fine young men officers and men who do not wish to return to sedentary occupations who cannot make their homes on the land either because they cannot get land or because nothing is being done to train or finance them. Personally, I think the Imperial Government ought to make provision for them.

"This country could develop its dairying industry fourfold if it would only put all its land to the best use. With milk, butter, cheese, eggs, poultry, and bacon assured, or largely assured, the country

would be made practically secure, at any rate, in the first line of its food supply. Canada and Australia, with their vast tracks of cheaper lands, can send the Mother Country the bulk of their grain supplies at cheaper rates than the present prices guaranteed by the Government to the home farmers. You cannot maintain a big national industry by subsidy.

### *State Banks and Tuition*

"The three essentials in the unlocking of the land are:

(1) Classification of all lands to find out whether they are most suitable for grazing, forestry, or intensive culture.

(2) State loan banks to finance men who wish to take up small farms.

(3) Practical tuition to these men on their own farms by Government instructors.

"It is nonsense to say that men must first be trained before they take up land. They belong to the same stock who have been trained on the farms of Victoria by State instructors. These men are financed to get their plants and stock through the State savings banks. It could be done here through the Post Office Savings Bank, which could then pay an additional one per cent. in interest.

"The State would have first security on the land, and that security would increase with every improvement made. In Victoria these farms cannot be sold; they can only be transferred to a man who has had no land, and who takes over the liabilities of the farm, including the loan.

"I am assured by practical men that in Britain a 50-acre dairy holding will give profitable occupation to a whole family. Why does the Government not provide both the holdings and the finance?

"What is really needed here is the floodlight of publicity on the land and agricultural problem. Fancy over 700 members of Parliament allowing such a body as the Royal Commission on Agriculture to sit behind closed doors! We need another Cromwell in this country to put things right."

Daily News, 8<sup>th</sup> January, 1920.

### *Afforestation After The War*

In the Botany Section, Sir J. S. Stirling Maxwell, Bt., introduced the subject of " Afforestation after the War." He remarked that during the war we had been learning somewhat bitterly that the import of timber could only be carried on at great risk and at a great demand on cargo space. The quantity of timber consumed in military operations was tremendous. Britain should secure itself against scarcity of timbers in the countries from which it now came. He was sanguine enough that the planter in England would get his money back, but we must have forests even if it might not be a profitable enterprise. He pointed out that by afforestation uninhabited areas became inhabitable and inhabited, and that protection and encouragement was a first usage of the State. It was doubtful whether Britain could be, from the timber point of view, self-supporting. Probably not more than six million acres were available for planting. We should rather aim at making the Empire self-supporting. Australia and Canada were moving in that direction. But it was possible by home afforestation to render ourselves independent of outside supplies for five years by cutting in such a period of emergency, timber that in normal times would only be cut in fifteen years.

Dr A. W. Borthwick, in opening a discussion, stated that the nation had been particularly remiss in regard to experimental afforestation.

Prof. W. Somerville welcomed Sir J. S. Stirling Maxwell's presence, particularly because it seemed essential that the man-in-the-street should give more attention to this national economic question. Afforestation was essentially an enterprise for the State rather than the individual; but he would support the encouragement of the individual by the State by the provision of capital and trees. However, he thought afforestation was almost hopeless from the private point of view, particularly under the stringent money conditions likely to follow the war.

Chamber of Commerce Journal,  
October, 1916.

#### *State Forests in Java*

The Dutch 'East Indian Government owns and administers in Java 721,818 hectares of teak woods, 1,264,800 hectares of forests under cultivation, and 915,800 hectares of virgin forests. No private indi-

vidual or company may own interests in these woods. Their revenue and value has been steadily rising; in 1916 a profit of 3,664,012 florins was obtained; teak export from Java is steadily decreasing, most of the wood being used on the island itself. Prices are on the increase.

*Commercial Holland*, October, 1919.

#### *German Towns Buy a Peat Bog*

A peat bog south of Bremen has been acquired at a price, including machinery, of Mk. 800,000 by 35 Thuringian towns, in order to secure a better supply of fuel.

*Deutsche Allgemeine Zeitung*,  
21<sup>st</sup> February, 1920.

#### *Labour Leaving the Farms in America*

The most serious feature of the agricultural situation is the continued loss of labour from the farms. The Department of Agriculture on the basis of reports from all sections of the country estimates a reduction of twelve per cent. in hired labour from a year ago and that the amount of hired labour is only seventy-two per cent. of what it was before the war. The rise of wages and the shorter hours of labour in the town industries are accountable for this constant drain.

It does not require an argument to convince any thoughtful person that this drift away from agriculture to the town industries, is the result of artificial conditions and fundamentally wrong. Men are not worth so much more to society in the town industries than upon the farms as to justify this situation in the present state of world affairs.

If the crops are short and prices go higher, presumably the wage-earners of the cities will want further increases of pay to compensate them, and this will raise industrial costs still higher. Perhaps by that time, also, the demands for a 44 or 40 hour week will be due, and another instalment of farmers will move to town, where the living conditions are so attractive. Then, with still higher prices for farm products, wages in the towns will have to be lifted again, until the last farmer has been convinced of the folly of resisting the movement, and wages for everybody in town are finally high enough to enable them to live without any crops!

The Farm Demonstrator of the Department of Agriculture located at the State Agricultural College of New Hampshire says that this

year practically completes the elimination of hired labour for the farms of New Hampshire. The next effect, he says: " Will be the elimination of small farmers and of men working with restricted capital. Such men simply sell off their stock and hire out by the day at the nearest mill or job that pays wages. After making fairly careful estimates in six leading counties, it is my opinion that this year will see the elimination of at least 1,000 farmers in New Hampshire, so far as their being producers of surplus food products."

Extract from National City  
Bank of New York Circular  
dated May, 1920.

#### *Devonshire House for 1,050,000*

It was announced in the Press of 18<sup>th</sup> May, that the price paid for Devonshire House in Piccadilly, London, in the recent sale of the property was one million guineas. Messrs Holland, Hannen and Cubitts, the London contractors handled the property in behalf of the Duke. The historic mansion will be pulled down and the site will be rebuilt, so that what the purchasers have bought is not a house but the land under the house.

Devonshire House and grounds cover 63,000 square feet, and the price is equivalent to £726,000 per acre. The property was assessed for rates of ,4,168. The contrast between that assessment and the value of the land alone is a striking example of the inequity of the British rating system. We would recall the fact that when Devonshire House (see Land Values, January, 1914) was valued for the purposes of the Finance (1909-10) Act 1910, the "full site value" was assessed at .£400,000.

*Land and Liberty*, June, 1920.

#### *Owner's Versus Arbitrator's Valuation*

In reply to questions addressed to the Chairman of the London County Council Housing Committee on 26<sup>th</sup> October and 8<sup>th</sup> November, 1920, that gentleman (Lieutenant Colonel F. E. Fremantle, M.P.) stated that in connection with the purchase by the Council of land for its Housing Scheme at Bellingham, evidence was taken on behalf of the owner, Lord Forster, to the effect that the land, 134½ acres in extent, was worth £600 an acre, representing a total value of £80,700. The arbitrator's award was £31,529. It remains to be added,

that in reply to a further question the Chairman of the London County Council Housing Committee stated that he was advised that the current rateable value of the land was approximately 180 (one hundred and eighty pounds).

### *The Passing Of The Great Landowner*

#### *Position of Tenant Farmers To-day*

Every newspaper reader is aware that in these days England is changing hands at a tremendous rate. Nearly every week brings news of the sale of vast estates. Landowners whose ancestors had held their property for centuries are getting rid of it. Dukes and earls and all sorts of lesser people are rushing hundreds of thousands of acres on to the market, and the old order of land-owning in England is vanishing.

What does it all mean, and where does it lead? The townsman who reads the news is apt to pass it by as something which does not concern him. The ownership of the land is, in his opinion, also a matter which does not concern him. It is remote from the preoccupations of his life.

But he is wrong. The destiny of English agricultural land is a matter which concerns every Englishman in the most intimate fashion, for it is bound to affect the supply and price of food. If we are going to be content to let things drift, we shall only have ourselves to thank if farming in England comes to another period of disaster, and our land goes out of cultivation and we return to the deplorable conditions which existed before the war. Not the least of the needs of the present is that of a reasoned policy on the whole subject of land tenure.

In the old days the landowner obtained other things than cash from his possessions. They used to give him political power. Even in more recent times they invested him with a certain distinction which had its own charm for many. They made possible all kinds of sport and social pleasures, and they gave a comfortable feeling of dominion. And of course there were many who were genuinely attracted by the responsibilities and opportunities of the position, who took pride in their lands and gained delight from the well-being of their people.

Those days have passed. We have done for ever with anything which seems remotely like feudalism, and in the new atmosphere of

the present the great landowner is regarded more as a costly anachronism than as a being splendid with dignity. In town and country alike sentiment is against him and there are few who feel like being kind to dukes, and fewer still who see anything worshipful in the ducal position. Subject to constant attacks from every quarter, landlords of England are not treated with reverence any more.

They are selling, and all over England tenant farmers are buying the farms which formerly they rented. That is the fact which is troubling every many of those who are concerned about land and farming. According to some of the innumerable theories on the subject it is a fine thing for a man to own the land which he cultivates, but these are times to make even theorists pause and consider.

When a big estate is broken up the tenant farmers know quite well that the choice before them is simple they must either buy or get out. They may not be anxious to buy, but they dislike intensely the thought of leaving, and there is the certainty that it will be very hard to get another farm anywhere. Besides, practically all farmers made money during the war, and they have more available capital to-day than in the old years. The various considerations urge them up, and most of them buy.

Consider what that means. The man who buys his farm to-day pays the price of to-day a price based on the profits of the war years, a price which does not take into sufficient account the inevitable increase in production costs of the immediate future. There are very few who can contrive to pay the whole price, and they go to the banks for the rest, and get the money at six per cent. And, even so, they are cutting down their working capital to a dangerously low figure, to an extent which will inevitably cramp their operations in the future.

One of the grimmest of the facts which I have come across while inquiring into the matter is this, that some of the banks are already refusing to accept land as security for mortgages. They have been considering the future, and they do not like the look of it. And it is not easy to find anyone else who likes the look of it.

It is not wonderful that some of the men who have bought their farms are already trying to sell them; they have come to the conclusion that the adventure is altogether too perilous.

Perilous it most certainly is, and not for the farmer alone, but for all of us who look to him for food, for bread and meat, and all the produce of his land. A worried farmer is not likely to be a good farmer, and we are likely to have quite a number of worried farmers in the near future. The man who is short of capital cannot do the best work or get good crops from his land. And that is the beginning of a sequence of disaster.

*The Observer*, 13<sup>th</sup> January, 1920.

#### *Private Land Ownership Evils*

It is quite useless to suppose that town planning can be carried out efficiently unless and until the authorities responsible for it have unlimited power compulsorily to purchase the land they may select. The Public Health Committee of Manchester at the moment is having one of its schemes held up because a landlord refuses to sell, and the evil of the present involved system of compulsion is patent.

Sir W. Seager asked if the right hon. gentleman (Mr Bonar Law) was aware that leaseholds were falling in Cardiff on which the ground rent was £5; the owners were now asking for £400 ground rent; and the payment for the reversion of £1,500 to £2,000.

No answer was returned.

*Pall Mall Gazette*, 20<sup>th</sup> March, 1919.

#### *Why Ground Landlords are Selling*

The full significance of the announcement of the impending sale of a large area on the Duchy of Cornwall South London estate is worth considering. The preliminary statement is as follows:

"The Council of His Royal Highness the Prince of Wales has decided to sell a portion of his South London estate at Kennington, and has entrusted the sale to Messrs Knight, Frank & Rutley, who will offer the property by auction in the late autumn at Hanover Square. The sale will embrace the whole of the properties on the north side of White Hart Street, including the large island site of  $6\frac{3}{4}$  acres bounded by Cottington Street, Kennington Park Road, White Hart Street, and Lower Kennington Lane and the whole of the Regency Square, also an area of about  $2\frac{1}{2}$  acres adjoining, with frontages to Cottington Street, Opal Street, Lower Kennington Lane and Ken-

nington Park Road, the whole covering a total area of about 9¼ acres, and all freehold.

"The greater portion of the property is cleared and immediately available for building, whilst the remainder, with only one or two exceptions, is let on short tenancies.

"The Duchy has during the war transformed a large area of this district, having erected on model lines a great number of houses for the working classes."

Without mincing matters that announcement is a warning to all ground landlords of London to weigh up the future of ownership of their property. It means that circumstances have so changed that it is no longer possible for London landlords to develop sites for housing purposes on economic lines. If ever there was an estate which was in course of development on wise principles it was the Duchy of Cornwall's in South London. The Prince himself has taken the keenest interest in it, and there was, at the outbreak of the war, a prospect that the whole of the property would be covered with houses and flats which would be a pattern to property owners and a boon to the public. Now, however, the exorbitant cost of building, due in part to the "ca' canny" attitude of labour, the difficulty of getting materials, and a thousand and one other difficulties, the project for providing dwellings for the working classes at Kennington is held up on the greater part of the Duchy estate, and may be found impossible of accomplishment on the remainder. The first step has been taken to submit a compact rectangular area of nearly ten acres to public competition, and, when it has been placed in the market, the powers under which the Duchy estate is administered give the vendors no right of restricting the sale to any particular purpose. In other words, if any purchaser elects to develop the land for commercial purposes he will be free to do so. That is probably what will happen, and all we have to say about it is that we hope the estate will be substantially benefited by the transaction. There is no more advantageously situated area of land to be bought, so near is it to the heart of the City and Westminster.

Only those who have followed the course of the property market over a series of years can appraise the true meaning of such a degree of unanimity on the part of London landlords of property in what

should be and must be always locations of assured importance and value. Looking backward a little further, the sale of Covent Garden Market and adjacent property by the Duke of Bedford may be recalled, and the various re-sales by Messrs Edwin Fox, Burnett & Baddeley and Messrs Goddard & Smith exemplify what is going on in such matters. Properties pass from those who have held them of old to new owners, individuals or syndicates, and the re-sale is found to be a source of profit, though it takes time and calls for the exercise of much ingenuity. The vendors get a large sum for re-investment and so forth, and the purchasers find their profit in retailing the separate hereditaments to those who want them either to maintain their hold on a site that is essential to a business, or to obtain a site which they could never have bought freehold from the previous owners. The whole process is interesting, and for those who can put down the necessary capital very profitable, if undertaken under the management and advice of a good firm of agents.

Stock Exchange Gazette,  
12<sup>th</sup> August, 1920.

#### *A Ground Rent*

There is much joy in the breast of the management of Waring and Gillow just now. When the company built its new premises in Oxford Street, fifteen years ago, the block was one of the handsomest business places in London. It stands on an island made by Oxford Street, Winsley Street, Castle Street East and Great Titchfield Street. The site embraces about 40,000 square feet, and the frontage to Oxford Street—Nos. 164-180—is 175 feet. The building occupied some three years in construction, and with the ground rights cost close on £180,000. The floor area is three and a half acres, and if a shopper visits every department she walks some two miles and a quarter. The front is fashioned on the principal facade of Hampton Court Palace and is 140 feet in height.

But alas! this beautiful piece of architectural amber has one fly embedded in it. No. 182 Oxford Street constitutes the extreme southwest angle of the island, and here Ridgways for many years has had one of its tea depots. No form of persuasion could induce the firm to part with its lease, and thus this corner makes a glaring indentation into the Waring and Gillow building which entirely destroys

its beauty when seen by anyone approaching from the west. Now Ridgways' tenure of its old shop has run out and the directors of Waring and Gillow have lost no time in securing possession of the property, and as soon as circumstances permit will certainly finish off the uncompleted section of their premises and remove a long-standing eyesore to the traveller eastbound from Oxford Circus. The ground landlord is Baron Ashton, and for the rest of the site Waring and Gillow holds eighty-year leases for which the rent is now £25,000 per annum, rising to £31,500 in 1922 and to £37,500 after 1932.

*Financial Times*, 1920.

### *Country Houses*

For sale by private treaty, Great Saxham Hall, with its appurtenances and well-timbered park lands, extending to some 250 acres, and situate between Newmarket and Bury. The Hall was thoroughly renovated and fitted with every modern convenience as recently as 1913, at a cost of some £30,000. An extensive range of stabling, garages, and other buildings, including several detached cottages, stand at a retired distance from the mansion. Adjoining the park lands are several very good farms that can be vacated and sold, if desired, and interspersed around the property are six woods standing on over 200 acres and containing some of the finest, if not the finest, oak trees in the country. The whole is situate in one of the best game districts in the county and adjoins the estate of the Marquess of Bristol. For particulars apply, etc.

Advertisement in *Stock Exchange Gazette*,  
24<sup>th</sup> July, 1919.

[The phrase "several very good farms that can be vacated and sold" means that the farmers, who are producing food, can be turned out by the purchaser.]

Small country house and 200 acres of excellent corn-growing land for sale, situated 30 miles from London, and five miles from a main-line station, in a beautiful part of Essex. The house, which stands in its own grounds, and is approached by a fine avenue, is in excellent order. It contains seven bedrooms, three reception-rooms, kitchen, scullery, lavatories, bathrooms, etc., but plans have been prepared by

which the house would be enlarged to contain four reception-rooms, including a large hall and billiard-room and n or 12 bedrooms. The nag stabling for four or five hunters (three loose boxes) is extremely good. There are coach-house, garage, etc., bailiff's house and four cottages, with all the necessary farm buildings. Hunting with three packs of hounds, including the stag. The shooting is excellent, and more could probably be had in the neighbourhood. The property would make an excellent home for anyone wishing to live quite in the country but still within reach of town. The owner will be pleased to send any further particulars to genuine prospective purchasers, but no letters from agents or lawyers will be replied to.

Advertisement in *Stock Exchange Gazette*,  
18<sup>th</sup> December, 1919.

*Somerset And Devon Borders*

Salmon and trout fishing one and three-quarter miles. Hunting six days a week. Excellent shooting. The freehold residential, agricultural and sporting estate, "Ashwick," Dulverton, extending in all to about 774 acres (all in hand). For sale privately, or by auction in one or four lots.

*ACRES.*

LOT 1.—The residence, fitted with modern improvements, including electric light, and containing lounge hall, three reception-rooms, billiard-room, thirteen bed and dressing-rooms, three bathrooms; together with stabling, three cottages; pleasure grounds, enclosed kitchen garden, glass-houses, park-like lands; in all about . . .

44½

LOT 2.—Ornamental and sporting woodlands, pastureland. Salmon and trout fishing one and three-quarter miles on the River Barle, with a bungalow residence . . .

143½

LOT 3.—Ashwick Farm, suitable for a gentleman or yeoman farmer, with exceptionally good farmhouse of two reception-rooms, seven bedrooms and bathroom (h. and c.); first-class buildings, three cottages, and hunting-stabling...

405

LOT 4.—Slade Farm, with stone-built farmhouse and commodious buildings . . .

181

Acres

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774

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*Country Life*, 28<sup>th</sup> February, 1921.