

THE LAND AND THE COMMONWEALTH

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WITH AN INTRODUCTION BY

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TO ALL THOSE
WHO,
REALISING THE INJUSTICE OF THE MONOPOLY
OF LAND IN THIS COUNTRY,
EARNESTLY DESIRE
TO SEE IT MORE EFFECTIVELY CONTROLLED BY
THE STATE
IN THE INTERESTS OF
THE PEOPLE.

INTRODUCTION

IT is with much pleasure that I accede to the author's request that I should pen an introduction to this work. On the principle that "a good thing needs no praise" it will suffice to say that such a volume as this, so comprehensive in its scope and so seminal in its suggestiveness, really calls for no word of commendation. The book speaks for itself. Every page provides evidence of ripe experience and notable industry. One may however, be permitted to emphasise the opportuneness of its appearance. Directly as the result of Mr. Lloyd George's recent speeches, which may fittingly be described as "half-battles"—the reverberations of which are now being re-echoed on every hill-side throughout the land—the agrarian question has at last been brought into the inner realm of practical politics. The problem has alternatively scared and baffled successive generations of British statesmen. An occasional poet, with the unchartered freedom of his order, has ventured to stray where our statesmen have feared to tread, and with sympathetic touch has limned the hard, harsh lot of the agricultural labourer :

Bowed by the weight of the centuries he leans
Upon his hoe and gazes on the ground,
The emptiness of ages in his face,
And on his back the burden of the world.

However, by a stroke of circumstance, surely as providential as it is auspicious, there has at length come the man—as even Mr. Bonar Law has been forced to confess—endowed with all the necessary qualifications for turning the strategic elements of the political situation to the profit and advantage of the class whose interests have so long been disregarded and whose welfare has been so woefully neglected. Great as is Mr. Lloyd George's record in the domain of legislative and administrative achievements, it is not too much to say that in no direction has his genius for constructive statesmanship displayed such radiance as in his recent campaign over the land question. Hodge has at last come into the full glare of the limelight, and the hardness of his lot has been revealed to the public view as it has never been before. That, however, is but an incidental result. It is necessary to emphasise the fact that the purpose of the campaign far transcends the zone of the limelight. It sets itself the task of unstrapping the heavy burden which has throughout the long centuries bowed the pathetic figure of the labourer, of elevating his downcast look and of substituting for the emptiness in his face that lustre which comes only from joyousness of life and hopefulness of outlook.

It must be obvious that ere the ideal can be transferred from the glow of the platform to the concreteness of legislation, much must needs be done. Sympathy with the lot of the labourer

must be wedded to a thorough knowledge of the circumstances and conditions of the system under which he labours. It is acknowledged on all sides that there is no institution in the country so deeply entrenched as is the land system. Indeed, so deeply and so cunningly laid are its entrenchments that even the most violent of social reformers have long despaired of being able to take it by storm.

Military strategists are now agreed that the walls of Jericho of old fell not because of the shouts of the hosts that perambulated day after day around the confines of the city, but rather as the result of the work of the engineers who were quietly sapping the foundations of the walls while the attention of the inhabitants was being diverted by the shouts of the circumventing forces.

In the light of that incident one may readily discern both the purpose and the value of such a book as this. It concerns the foundations. It locates the vulnerable spots in the ramparts of the system of land tenure. It delves down into the economic basis of the whole question, and, with a resourcefulness of statistical and argumentative force, shatters the ramparts which have so long sheltered monopoly and oppression. Mr. Marks brings to his task an opulence of information and a mastery of detail which are reflected on every page. The work may be justly described as one that is absolutely indis-

pensable to any politician or reformer—be his politics what they may—who desires to master in all its intricacies a question which is now becoming the dominant issue in British politics. Its appearance is timely; its tone is distinctly fair and judicial, and its presentation of the issues is as complete as it is brilliant.

J. HUGH EDWARDS.

November 10th, 1913.

PREFACE

WHEN it was first announced that the Government proposed to deal with the Land Question—now about fifteen months ago—the author decided to put into writing some of the phases of the problem as they had appealed to him during his experience in the management of large estates. This book was commenced in October, 1912, and the ground-work completed in July last.

The proposals of the Government have since been outlined by the Right Hon. D. Lloyd George, M.P., and the Report of the Land Enquiry Committee has been published. The author is gratified to find that many of his suggestions in regard to the reform of our Land System are in harmony with the intentions of the Chancellor of the Exchequer, and also that his arguments follow on the main lines of the recommendations of the Land Enquiry Committee. So far, however, the forecast of legislation has been confined to Rural matters; this work deals with both Urban and Rural aspects of the Land Question, and several suggestions are made with a view to remedying the grave economic difficulties which prevent the best use of land in country districts and in centres of rapidly-increasing population.

Public attention is now being directed to the various problems relating to land, and for some considerable time, probably for years, the subject will be uppermost in the minds of the people, whatever their political predilections may be.

One truth which should be emphasised, at the outset, is the existence of good as well as unprincipled landlords. This fact should not be forgotten in public discussions. The aims of the Government will, doubtless, be directed towards securing something like uniformity in the use of land, and, in all probability, steps will be taken towards bringing unjust landlords into line with those owners who manage their estates well.

Anyone who has had experience in the management of large estates should be convinced of the desirability of fixing rents by judicial methods and controlling the restrictions and covenants imposed by some landlords on their tenants. It is urgently necessary that Land Courts should be established to secure economic justice to those who occupy land. It is also in the interests of the community, as a whole, that wider facilities should be available for the gradual acquisition of land by the State at fair prices. These two principles—Land Courts and Public Landownership—are the primary aims of this volume.

It was suggested to the author that the work would be more useful if it contained a brief outline of the Law of Land Ownership. This has been added, as briefly as possible, in Part VIII., but

sufficient has been said, perhaps, to give the student a general idea of the elements of the law, if he requires the information.

To his friend, L. W. J. Costello, M.A., LL.B., Barrister-at-Law, of the Inner Temple, the author desires to express his deep sense of appreciation of the valuable assistance he has rendered in revising the chapters on legal questions, and in generously undertaking the reading of proofs. The author is also most grateful to Mr. F. G. Haley, Librarian, for his courtesy and assistance in facilitating reference to official and other publications.

EALING, MIDDLESEX.

October, 1913.

Postscript.—Since writing the above Mr. Lloyd George has submitted certain proposals with regard to property in the occupation of traders.

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PART I
INTRODUCTORY

“ A time there was, ere England’s griefs began,
When every rood of land maintained its man,
For him light Labour spread her wholesome store,
Just gave what life required, but gave no more :
His best companions innocence and health ;
And his best riches, ignorance of wealth.
But times are altered ; trade’s unfeeling train
Usurp the land, and dispossess the swain ;
If to some common’s fenceless limits strayed,
He drives his flock to pick the scanty blade,
Those fenceless fields the sons of wealth divide,
And e’en the bare-worn common is denied.”

“ The Deserted Village.”—OLIVER GOLDSMITH.

CHAPTER I

AN URGENT ECONOMIC QUESTION

FOR centuries the ownership of land in the United Kingdom has been vested in a comparatively small number of privileged persons, who have enjoyed, with little or no restriction, the most valuable monopoly which the community permits. In more recent years a feeling of keen dissatisfaction with present conditions has been growing, and it is now admitted that some reforms are urgently needed to deal effectively with the situation. This opinion is not held exclusively by those who are opposed to private ownership in land, and who desire to see the State in direct control of the soil of the country, but, among some of the most conservative political thinkers of the day, there is a readiness to acknowledge that the present system of land tenure requires to be adjusted and brought down to modern requirements.

It is quite clear that all attempts by the Legislature to deal with the question have proved futile. The State has, indeed, been merely tinkering with the evil. No measure has yet been seriously attempted which would go to the root of the land difficulty.

One reason for the failure of measures of reform has been the hostile attitude of the landowners, not only privately in their relations with their tenantry, but publicly in the House of Lords. It is a well-known fact that farming agreements, in some parts of the country, have been drawn

with little regard to the interests of the tenant, whilst, on the other hand, the Upper Chamber has violently opposed efforts to remedy the injustices at present existing. Recent legislation, not perhaps bearing directly on land, has, however, changed the situation. As a result of the Parliament Act, only the short space of three years, at the most, may elapse before some drastic measure may be carried through Parliament and at last reach the statute-book. In effect, there is now no barrier between the people and their rightful heritage. So soon as the community formulates its demands, those demands will have to be met, and, in all probability, conceded.

The question at the moment is, What is going to be done? And this question is accompanied by fears of the risks that are to be run. Will the movement be a wise one? Is it fraught with serious peril to the State? Are the people likely to suffer rather than to benefit?

These are most pertinent queries and call for calm and dispassionate consideration. No step should be taken by the Legislature until it is demonstrated beyond doubt that sufficient advantages would accrue to the community by the adoption of new methods. There is, most certainly, an economic wrong prevailing, and remedies of some kind are needed; but the latter must be just and reasonable if the former is to be removed.

We have here a vital subject to examine. It is the purpose of the writer to make a careful inquiry into the causes of unrest in regard to the occupation of land, and, if these are found to be extensive in the United Kingdom, an endeavour will be made to indicate some sound methods of dealing with them by parliamentary intervention. For the purpose of this inquiry nothing will be assumed. We shall not accept the mere theories of land

reformers ; it will be sufficient to take the facts as they are presented to us almost daily, and, with these facts in mind, it should be possible to arrive at some definite basis for structural reform.

It would, nevertheless, be advisable at the outset to contrast the most divergent views of politicians on the subject under discussion, in order to ascertain which opinion is more nearly correct. In this way, let us consider the utterances of the late Sir Henry Campbell-Bannerman and the Duke of Northumberland.

In December, 1905, when addressing a crowded meeting at the Albert Hall, Sir Henry Campbell-Bannerman, in outlining the new policy of the Liberal party, gave expression to the aims of Liberalism with reference to land in the following words :—

“ We wish to make the land less of a pleasure-ground for the rich and more of a treasure-ground for the nation.”

The Duke of Northumberland four years later, when urging the House of Lords to reject the Housing and Town Planning Bill, said :—

“ The provision of cottages is not an urgent matter, and it is much more important that owners should be safely guarded in the possession of their property.”

Now it may be suggested that these views should not be contrasted because they do not bear precisely on the same phase of the land question— one dealing, as it undoubtedly does, with land in general, and the other with the provision of cottages. It is, however, not unreasonable to make use of these two statements in order to show that there is a great diversity of opinion as regards the economic use of land in this country, even among landowners themselves. It is true that the Duke of Northumberland is a much more extensive owner of land than the late Sir Henry

Campbell-Bannerman, but it does not follow that his Grace's wider experience of land, urban and rural, has led him to state what are the actual facts in regard to the housing of the people. It is necessary for economists to look deeply into the subject, and to prove the accuracy of one or other of the two statements referred to above. If, in our investigation, we are led to the proof of one statement, it will at the same time lead us to the disproof, or modification, of the other.

In recent years, and perhaps more noticeably in recent months, information relating to emigration from all parts of the United Kingdom has aroused public alarm. From every country-side, and almost from every town and city, men and women in large numbers have made their way to the Colonies and other parts of the world. The exodus still continues at an appalling rate. Whilst some of these emigrants have left the country chiefly because they are possessed with a desire to see new lands, it is undeniably true that many have gone because they were determined to escape from the thralldom of our land system. In Scotland, for example, there is now a higher percentage of emigration than in the case of Ireland, and the condition of affairs in England and Wales is very unsatisfactory. The most serious aspect of the case is the fact that it is not the weaker and the more undesirable section of the population that is departing to foreign shores, but the most able-bodied and robust young fellows, who, fearing to fall into the same miserable existence as their parents, have decided to cut adrift from the home country. That emigration, to a certain extent, cannot be avoided is true, but there is no reason to suppose that the nation should be depleted of some of its best citizens at this terrible rate. The loss is not only represented by numbers; there

is a reduced consumption of goods which might otherwise be provided at home, with attendant advantages to our home trade. Emigration proves conclusively that there is something wrong at the heart of the Empire, and this, we shall show, is directly attributable to the economic misuse of land. Our inquiry demands that we should lay bare the roots of this national danger.

At the present time the various shipping companies are finding it most difficult to cope with the rush from the shores of England. It is becoming increasingly necessary to relieve the congestion of traffic at Liverpool, and the matter has become so urgent that passengers will have to be diverted to other ports. One shipping company is about to launch a new vessel to accommodate 2,000 passengers. The same company will have a similar new ship in commission during this winter. The steamships are so full, and the emigration agencies so completely occupied, that it is difficult for intending emigrants to obtain adequate accommodation, unless they are prepared to wait some considerable time. An inquiry at a shipping office, recently, brought the following information : " Third class, full for at least two months ; second class, as much notice as possible must be given ; first class, plenty of accommodation."

How are these facts accounted for when the country is enjoying unparalleled trade? The year 1912 has been an exceptional one for British industries. Not only is this evident as regards the volume of trade during the year, but it is true in respect of the amount of trade, when calculated *per capita*. The results are higher than at any other period in our history. Speaking in the House of Commons on the 22nd April, 1913, Mr. Lloyd George stated that " without exception the year was the most prosperous that British

trade has ever seen.”¹ This evidence of increasing wealth is indisputable. In the same speech Mr. Lloyd George, when referring to the amount of employment available among the skilled industries, also informed us that “unemployment has reached its lowest figure in our time.”

In the light of this information, it will be interesting to ascertain how much of the expanding wealth is falling to the toilers on the land. For this purpose let us look at “Glorious Devon,” the well-known county of the West of England. The county of Devon is being literally drained of some of its best men. Anxiety regarding the constant stream of emigrants from the country-side is increasing every year. There is, however, no prospect of this stream diminishing in its flow; indeed, for some years it has been gradually increasing. The *Western Times* recently conducted a careful investigation into the amount of emigration from certain parishes within the county of Devon, comprising both urban and rural districts. In this county there are 461 parishes. It was found that, out of 88 parishes alone, the total number of emigrants was 2,114 during the previous twelve months. But this number is considered to be incomplete. In the whole county it is estimated that over 8,000 have left for the Colonies and other places abroad during the last twelve months. This number includes agricultural labourers, farmers, and various classes of town workers. A few professional men, also, are to be found in the list.

At a time when this matter is causing heartburns among Devonians, the real source of the trouble has been disclosed by Dr. Carnwath, an inspector under the Local Government Board. For some time Dr. Carnwath has been visiting various

¹ Budget Speech.

parts of the county, under directions received from the official headquarters in London, and he has conducted an impartial scrutiny into the housing of the people, paying special attention to the rural neighbourhoods. He found that the conditions in several small country districts around Torrington were disgraceful. In his own words, it was found that "cracks were sometimes large enough to allow the passage of a hand, and in one case I could put my umbrella right through the outside wall." There were also "gaps between the partitions and the other walls, and loose window frames, broken plaster, and defective roofs and ceilings were common. Even in the open country, in many of the bedrooms sunshine never found its way, and it was exceptional to find a room not more or less stuffy. I saw many wells where one could not see through the water in a glass—it was quite opalescent, opaque in some cases. At Yarnscombe I believe some of the worst houses have been got rid of, but what they must have been like I do not know, for there are some there now in an absolutely woeful condition."

This statement was made in the full publicity of the council room at Torrington, in the presence of the members of the rural district council, and the facts disclosed were not denied, although the words we have quoted fell on the ears of certain landowners from some of the surrounding villages. We may, therefore, take the report as accurate and as an unvarnished account of the state of housing in this part of Devon. Yet it is amazing to find that one landowner told Dr. Carnwath that "the people, generally speaking, preferred an old-fashioned house to what they called new-fangled ones." Surely, human nature in "Glorious Devon" has not become so depraved

as not to be willing to take more favourable housing conditions if such were available!

Bulwer Lytton, in 1843, wrote "fair are thy fields, O England, fair the rural farm and the orchards in which the blossoms have ripened into laughing fruits." This, in a limited sense, was no doubt true, and is true, perhaps, to-day, but it is apparent that the laughing fruits of the soil of England are reserved for the few, whilst the bulk of the toiling population is living in a state which ought not to be countenanced by a civilised society.

What has been proved in regard to the county of Devon may be as easily proved in respect of every county in England and Wales, with only a difference in degree. There are comparatively few villages and towns where the housing conditions are not more or less deplorable. In almost every part of the country the land is an urgent economic difficulty.

Reference has been made to the exodus from the country-side to places abroad; in a separate chapter, dealing more in detail with the question, we shall point out that the pressure on towns in this country is the result, to a large extent, of rural depopulation.

A great national forward movement is now absolutely necessary. It is required in the interests of the agricultural labourer; it is required also by the farmer. The latter cannot, with any degree of safety, make the best possible use of his land; the labourer has no possible chance of obtaining an improvement in his *status*. These disabilities are bound to continue so long as the present system prevails, and so long as artificial limitations exist. National efficiency will never be attained, the people will never be well-fed and well-housed, commercial development will never

be satisfactorily advanced, and emigration will never be curtailed, until the land of the country is under proper and effective control.

One of the first steps, as we shall show in a subsequent chapter, will be to give to the agriculturist greater security of tenure than he possesses to-day. It is inconceivable that the farmer will put his best into the tillage of the soil when he has no certainty, in every case, that he will benefit by his industry, by the exercise of foresight, and by the expenditure of his capital. If he were assured that every act of his in developing the land would bring gain to him, and not to the landowner, he would willingly apply not only more money in his business, but his skill and knowledge would be more vigorously utilised. Harvests would be more bountiful, crops would be of the right kind, and of a better quality, breeds of cattle would improve, as soon as the farmer was quite sure that he was working for himself alone.

But security of tenure would not only benefit the farmer ; it would make it possible for him to give better wages to his employees. An increased wages fund for agricultural labourers cannot be obtained unless there is a thorough cultivation of the land, encouraged by the certainty accorded to the farmer. The accusation that the labourer on the land is underpaid, ill-fed, and ill-housed cannot be laid at the door of the farmer alone. The profits of agriculture do not permit of a substantial increase in wages.

At the beginning of the nineteenth century it was estimated that the total rent of agricultural land in the whole country was £30,000,000. Three years ago the rent was found to have increased to £52,000,000, despite the fact that large areas have been used in the development of towns and cities. This increase is equal to

73 per cent. From what we know of the wages paid to agricultural labourers at the present time it is quite clear that they have not advanced in the same ratio as rents.

The injustice of our land tenure as regards rural districts is bad enough, but it is even worse in towns and cities, where one of the chief causes is the heavy tolls taken by landowners in rent. These tolls are rapidly increasing year by year. All public improvements, all works of utility, encouraged by the expenditure of ratepayers' money, serve as incentives to the owner of the ground to exact higher rents. The burden falls heavily on the community. Industry is often paralysed, the efficient housing of the people is discouraged, and human progress is limited, in consequence of the monopoly of private ownership in land. That millions of people in the richest country in the world are living on the verge of starvation is confirmed by the enormous amount distributed in poor relief. The disgraceful housing conditions in the larger towns and cities are the primary causes of crime, infantile mortality, and the physical degeneration of the British people. Whilst seven and a half millions of the more favoured classes of society, in England and Wales, are housed on an area of 19,800,000 acres, it is appalling to think that thirteen millions, almost twice the number, are compelled to live on an area comprising only 48,000 acres.¹

We have only briefly touched on the economics of the land question, but sufficient has been written to show that the subject is a pressing one, and a matter calling for prompt remedies. It has, I think, been demonstrated, quite contrary to the view of the Duke of Northumberland, that the provision of cottages is an urgent matter, and it

¹ Mr. Nettlefold in "Practical Housing."

has also been shown that, at the present moment, the land is not "a treasure-house for the nation."

It is now necessary to go more deeply into the evils prevailing, and, in doing so, to point out the legislative and other means that should be employed with a view to giving the people better facilities in the rightful use of land.

PART II
CONSIDERATIONS OF SPORT AND PLEASURE

“ A privilege enjoyed by a few individuals, in the midst of a vast population who do not enjoy it, ought not to be called freedom. It is tyranny.”--LORD MACAULAY, in 1833.

CHAPTER II

THE DANGER OF LARGE ESTATES

IN the preceding chapter it was stated that, notwithstanding the enormous increase in British Trade, emigration from this country was proceeding at an alarming rate. We traced the cause in one county, at any rate, to the misuse of land and to the deplorable conditions under which the people were compelled to live. It was shown that both town and agricultural development were hindered by our land system. In this chapter it is proposed to discuss the risks which are run by the people so long as estates are held up in large blocks and concentrated in the hands of a small number of persons.

It cannot be too strongly urged that large estates are inimical to national interests. They encourage the use of land for extensive sport, instead of utilizing it, more generally, for agricultural purposes. Some of the largest landowners in the country maintain vast tracts, under their own control, for their personal enjoyment, regardless of the duty which land ownership involves. There are thousands of acres improperly used which might be extensively cultivated, and which would produce, not only a revenue for farmers, but substantial wages for agricultural labourers. It might be contended that if the owner is prepared to forego the rent that would be derived from the land, if cultivated, he has a perfect right to do so. Such a contention would be indefensible,

because land is the very basis of a people's existence, and no one is entitled to hold up land, unreasonably, for sporting purposes. The ownership of land brings many privileges, but it involves certain responsibilities.

The lessons of history have an important bearing on the ownership of large estates in this country at the present day. "Great estates ruined Italy."¹ The outbreak of the French Revolution was, in no small measure, the outcome of the misuse of land.

"The nobility and clergy possessed nearly two-thirds of the land. The remainder, the property of the people, paid a multitude of feudal fees to the nobility, and tithes to the clergy, and was exposed to the devastation of game and hunting parties."²

It is hardly possible for consequences so serious to befall this country as those to which reference has just now been made, but there is no doubt that large estates, controlled by a few persons from one generation to another, militate against the interests of the people, and they are a hindrance to national development. It is impossible for the owner of broad acres to have direct connection with his tenantry; the vastness of his property interest makes it compulsory for him to employ agents, who, in some instances, have received no adequate professional training, and who do not possess a sound knowledge of the requirements and difficulties of the agriculturist.

It would be unjust, however, if we did not admit that there are several large estates where cordial relations are maintained between the landlord and the tenant, and where the owner endeavours to take a personal interest in the welfare of the

¹ Pliny.

² "The French Revolution": Thiers and Bodin.

tenantry around him. In these cases the farmers are happily situated, and are undoubtedly fairly prosperous. But these instances are, unfortunately, exceptions, and, as in the ordinary avocations of everyday life, the good landlords receive a certain amount of abuse that is levelled at them in ignorance. No greater injustice could be done to certain old families of England, who manage their estates well, than to class them with those who deserve criticism. They give every possible facility and encouragement to their tenants in the business to which they devote their energies. On estates of the kind to which reference has been made farms very rarely become vacant. In the event of the death of the occupier a son, or some other direct connection of the tenant's family, is ready to take possession. The landowner, under these circumstances, is not unwilling to give preference to some representative of his former tenant's household—indeed, it is often agreed to by the landlord many years before the death of the tenant takes place. This is a class of landowner who realises the responsibilities devolving upon him, and who acts, in every possible way, as a careful and just steward of his property. The writer has known many instances where, upon a change taking place in the tenancy, the landowner has voluntarily accepted the successor at the same rent, when an increase might not have been regarded as unreasonable. This class of landowner is, unfortunately, not so numerous as one could wish; if there were more just owners in this country the land question would be less acute.

Similarly, no serious complaint can reasonably attach to the larger portion of small landowners of, say, one to two thousand acres. There are 12,114 squires and greater yeomen in the United Kingdom whose control of land does not average

more than 750 acres each ; there are 2,529 squires whose ownership does not exceed 1,700 acres each.¹ These figures are based on the *New Domesday Book* issued in the year 1883, but they are practically the same to-day, except where they have been bought out by millionaires, some of whom are of American origin. It is not suggested for one moment that the estates of the whole of the smaller landowners are efficiently managed in the interests of the tenants, but it can, without contradiction, be affirmed that a very large number place no harsh restrictions on the occupiers of their property. If any unsatisfactory conditions exist at all in regard to the housing of the labourers, they are due to the limited means of the small owner, arising out of the meagre returns in rent, and not to an unwillingness on his part to make adequate provision for those who work on his land.

Whatever legislation may be enacted in our time to deal more effectively with the use of land, great care needs to be exercised in regard to this class of owner. Speaking generally, he is a wise landlord. He is in closer touch with his tenants than is the case with the large landowner, for the simple reason that he does not require the whole-time service of an agent. He is, in all probability, employed in husbandry himself. In his leisure moments he gives freely of his time in the exercise of public duties, and the members of his family are untiring in their efforts to promote the well-being and prosperity of the inhabitants of the village. The small landowner's estate is one that does not usually benefit by rapid increases in capital value in the same way as vast estates covering miles of country, for the reason that he has not, generally, land available on the outskirts of

¹ " Great Landowners " : John Bateman.

towns, bringing to him hundreds of pounds in unearned increment.

Now to introduce legislation which would interfere with the harmonious relations between this class of owner and the tenantry would be a flagrant injustice, and would do more harm than good. No law is needed in cases of this kind, of which hundreds might be cited, and great care should be exercised by the Legislature in dealing with them.

It is in respect of estates which are ill-managed and primarily held for the purposes of sport and pleasure that the law should step in. Land in large blocks is unjustly kept under the control of the owner to provide enjoyment for himself, for the members of his family, and for his numerous guests.

The British people do not generally realise that, out of a total area of about 77,000,000 acres in the United Kingdom, no less than 40,426,000 acres are in the possession of only 2,500 persons—that is, more than one-half of the land in this country is under the control of one-eighteen-thousandth part of the total population. Of this number there are 1,688 great landowners with estates averaging 8,400 acres each, and about 400 peers with a landed interest averaging 14,325 acres each. Some of the peers of the realm enjoy the ownership of many estates, in different parts of the kingdom, totalling several hundred thousand acres. The largest estate is that of a well-known duke who enjoys the unrestricted ownership of 1,358,600 acres.

It would be easy, by publishing a list of large landowners, to reveal the serious risks which are being run by the people in allowing extensive areas to be held up by a small number of persons. The existence of big estates cannot be conducive to the best interests of the State. Land cannot, under

these conditions, be of the highest service to the community. Its productive capabilities must necessarily be curtailed.

In England and Wales alone, without taking into account the uncultivated land in Scotland and Ireland, there are at least 20,000,000 acres that are not properly utilised. Of this area about 10,000,000 acres possess rich soil, which by the expenditure of capital, and the encouragement of the farming industry, might be cultivated to better advantage. At present a good deal of land is either devoted to sporting purposes or attached to the parks surrounding country mansions. It is retained by owners for the purposes of increasing the amenities of their estates by ensuring quietude and selfish pleasure.

Can it be denied that land so uselessly occupied could be better employed? If the size of parks were diminished, and the area thus freed were devoted to agricultural purposes, the urgent rural question would at once be solved, and with its solution would disappear the most serious aspects of social difficulties in towns. Hundreds of country-born people, living in wretched tenements in urban districts, would once more return to the pure air of their native villages. Labour on the land would be stimulated, the people would become more contented, and a great stride would have been taken towards the arrest of the physical degeneration of the race.

One reason, perhaps the most important reason, why land continues, generation after generation, to be held by single families in large blocks is the evil practice of passing on the ownership of practically the whole property to the eldest child, in order to maintain the family's tradition and social influence. So long as a large landowner, by testamentary disposition, is able to hand down his

estates to his eldest son in one block, so long will the spirit of primogeniture exist, and so long will it form, in the words of Lord Arundell of Wardour, in 1887, "the keystone of the House of Lords." It is advisable that Parliament, in the absence of more drastic measures, should step in and compel the owner of immense estates, at his death, to make a suitable distribution of his acres among his children where more than one child exists.

There exists in certain limited parts of England a system of land tenure known as gavelkind, under which estates, in the event of the intestacy of the owner, descend to all sons in equal shares. It is a system which was practised by the ancient Britons, and at one time it probably existed over the entire Celtic kingdom. A good deal of land subject to gavelkind has been disgavelled under Acts of Parliament, but some still remains in Kent. It would perhaps be going too far to apply the method of equal division in all cases, but the State is more likely to benefit than otherwise by some compulsory distribution of large estates among children, with proper safeguards in the event of incapacity, instead of allowing whole estates to remain in one block, under the control of one individual, and burdened with a multiplicity of charges, for the support of the remaining children.

This compulsory disposition would be precisely the same, in practice, as that suggested by ex-President Taft in regard to estates, real and personal, in the United States of America. President Taft proposed that the State should "pass inheritance laws which require the division of great fortunes among the children of descendants, and not permit the multi-millionaire to leave his fortune in a mass."

The proposal might with advantage be applied to the disposition of large landed estates in this

country. The sub-division of big estates, in varying proportions, perhaps, would encourage an increased yield from the soil. It would reduce the area now held for sporting purposes. Owners would find it necessary to put their property to the fullest use in order to produce the highest possible income. It would, in due time, bring the landowner into more direct association with his tenants, and it would lead to the rehabilitation of village life in this country.

Laws, suitably drafted and wisely administered, would safeguard owners who make the best use of their property, and, at the same time, they would check the aggregation of estates under the power of a privileged few. It is absurd that more than one-half of the first essential of life and human progress should be within the grip of only 2,500 persons. In the words of Lord Macaulay, which may, with special force, be applied to land, "a privilege enjoyed by a few individuals, in the midst of a vast population who do not enjoy it, ought not to be called freedom. It is tyranny." One of the fundamental principles of State government should be the use of land for productive purposes, and not for personal enjoyment.

This end can only be achieved by the splitting up of unduly large estates.

CHAPTER III

THE NEW LANDOWNER

IN these days of rapid industrial development a new type of landowner is appearing. This estate owner has been enabled to acquire his interest in land by the accumulation of vast wealth, as a result of commercial enterprise. He turns his attention to the purchase of landed property whenever a favourable opportunity occurs. The old class of owner has, to some considerable extent, disappeared, and his place has been taken by the magnate who has gained his fortune in cotton, woollen, or iron industries. These facts make it clear that wealth is more rapidly accumulated in commercial pursuits than by the ownership of land. Whatever objections may be raised against property owners, and these cannot be denied in many respects, one rarely hears of a person becoming a millionaire, in this country, by the control of land alone. The community has as much to fear from the large capitalist as from the landowner. And this danger has become more serious since the capitalist has begun to turn his attention to the people's land.

These are the tendencies of the age, and they are becoming more potent as private wealth increases. Every firm of land agents of good standing receives frequent applications from business men who are anxious to acquire landed properties. These individuals are often prepared to pay prices which are ridiculously high, if judged from the

standpoint of the investment of capital. Many instances could be quoted to show that purchase-money far in excess of the actual value of the estate has been paid. Some of the figures would appear to be incredible. Even when agricultural depression has existed to a great extent, it has made practically no difference to the price of agricultural land. This tendency is likely to remain so long as capital, in the ordinary run of commerce, is so easily accumulated. Sir H. Rider Haggard, in "Rural England," writes:—

"A large land agent of my acquaintance informed me that he had in his office half a dozen applications for such estates from men who had made large sums of money. What they say is: 'I have a million or half a million and I am prepared to spend 25 per cent. of it upon a suitable landed property with the usual amenities. I care nothing whether it pays me or does not pay me, since for my income I look to my remaining fortune. All I want is sport, the right sort of society, and a place that will be pleasant to live at during the hunting and shooting season.'"¹

The enormous increase in the number of private motor cars in recent years has encouraged the desire for a country house. It has led to the acquisition of large estates by wealthy gentlemen who would otherwise have remained in the vicinity of the town and cities where their businesses are located. It is now a simple matter to own an estate of fairly substantial dimensions some forty to fifty miles distant, and still to be in active touch with the office. Where an adequate train service is available both morning and evening the business man may travel to town daily, even though the country seat is ten miles away from the railway station. The fact that many large West End houses in London are empty may be attributed, in no small way, to the development of

¹ "Rural England": Sir H. Rider Haggard, Vol. I., p. 28.

motor cars. And this industry has also encouraged the acquisition of estates even further afield, where a journey of one to two hundred miles by road enables business gentlemen to be independent of railways and able to spend vacations in the country at certain seasons of the year.

But the chief factor of all in stimulating the search for suitable landed property, by the new type of owner, is the undoubted fact that the social influence of land ownership is still paramount. A man may possess no attainments ; he may have risen from the humblest spheres ; in his acquisition of wealth he may have failed to develop the sympathetic side of his nature ; he may have no knowledge of the treasures of English literature ; his view on life in general may be narrow ; but the purchase of land, especially when it carries with it an old family seat, sometimes gives him a *status* which, otherwise, would not be acquired.

This is not, of course, true of every business man who acquires a stake in the country. Many men of good standing become the owners of large estates because they are possessed with a desire to establish a "county" family. And nothing opens the door to social recognition so easily as the ownership of land, and particularly where facilities for sport and fishing are available. If the person is ambitious, and wishful to gain public favour and county distinction, there is nothing that will help him along these avenues so much as the ownership of a well-known mansion. His residence in the county will substantially assist his sons and daughters in widening the circle of their acquaintances, and in numerous public and charitable ways the influence of the owner will be augmented.

Whilst some advantages may result from the change in the type of owner, there are many objec-

tions. It is probably correct to say that sometimes when a change of this kind takes place in the ownership, it leads to a general overhaul of the buildings on the estate, and results in a substantial improvement in the housing conditions of agricultural labourers. Often, however, the exactly opposite result is experienced. On the whole, the new type of landowner is worse than the old, and, in cases where the estate has been acquired by the aggregation of several small estates, formerly owned by squires, it has been found to discourage the development of good husbandry. If sport is the first ideal of the owner, then the agriculturist is in a worse plight than before, whilst the display of wealth and luxury, accompanied by numerous house parties, has an effect on village life which can only prove disastrous.

But, in some instances, in addition to the thirst for sport, the new type of owner, inexperienced in matters relating to agriculture, determines to increase the farming rents. He has paid a good price for the land, out of all proportion to its true value, and why should he not have a higher rental to justify it? He desires to make his estates yield a good return. His business experience has taught him always to look at the income side of investments. Why should he not apply the same methods to his investment in land? He forgets, however, that at the present time the farmers are, in many instances, heavily rented, and that the tenants have the greatest difficulty in the world in holding their own against competition in agricultural produce from abroad. In these cases surveyors have considerable trouble in restraining their clients from increasing the rental. Sometimes they succeed; often they do not. Frequently the owner employs as his agent a gentleman who has had no professional training

or experience. The cost of a good land agent or surveyor is regarded by him as too heavy. His fortune was made largely by keeping salaries and wages down at a minimum figure; he carries on the same methods in the management of his property. The results can only bring discouragement to good husbandry; the tenant is burdened with heavier responsibilities; the agricultural labourer is no nearer to social freedom.

It is in cases like those that have just been described that the passion for sport and pleasure is more pronounced than with older families. The promotion of the agricultural industry and the necessity of relieving the harsh conditions under which the land labourers have to work are, to this class of owner, secondary considerations. Sport, amusement, and social influence are the chief aims, and no satisfaction is felt unless these are experienced.

Hence we have a disinclination to build new cottages, even where they are badly needed. Every surveyor who is called upon to advise in the management of estates, knows that thousands of cottages occupied by agricultural labourers are insanitary and unfit for human habitation, and often he finds it necessary to recommend the erection of new dwellings. But his report is doomed to failure when he is requested to show in black and white, as he is nearly always required to do, the yield per cent. on the outlay. It is a well-known fact that the cost of labour and building materials, combined with the absurd regulations of the Local Government Board, render it impossible to erect a cottage at a cost below £175 to £180. More often the outlay required is nearer £200; sometimes a higher expenditure is needed. These figures do not take into account the value of the ground. Now, if

an investor in property requires a return of even 4 per cent. per annum, the rent of a cottage, after making due allowance for rates and repairs, will not be less than 4s. to 4s. 6d. per week. Where is there, in the United Kingdom, an agricultural worker who is in the position to pay such a rent and maintain his family in decency? It is an impossibility. The estate owner sees no chance of securing a good yield, and the improvements in the housing of the people in rural districts go by the board.

The sales of agricultural estates during the past five years, so far as they are ascertainable, show how rapidly the total acreage sold each year is increasing. It is, of course, impossible to record the numerous private transactions which are taking place, but the figures furnished by the Estate Exchange, incomplete though they be, show that land is changing hands much more briskly than it was even five years ago. The following figures are interesting:—

ACREAGE OF AGRICULTURAL LAND IN ENGLAND
AND WALES SOLD DURING 1908-1912.¹

Year.	Acreage.
1908	97,263
1909	100,273
1910	114,661
1911	188,009
1912	192,642

The above figures do not take note of the sales that have not been reported to the Estate Exchange, but they serve as an index to the increase that has taken place during recent years. But, even apart from the figures in question, it is generally recognised among land agents and surveyors that there is a keener desire to dispose of estates than

¹ Registered at Estate Exchange, Tokenhouse Yard, E.C.

formerly. This is a good feature, from the standpoint of the community, if it is due to the splitting up of large estates, and if the land of the country is falling into the hands of the right persons, who will make the best use of their property. It is to be feared, however, that this is not always the case. Land is, indeed, becoming the property of individuals who, in the main, are less disposed than the original owners to consider the needs of the tenantry and the agricultural labourers; this class of owner has a more limited sense of the responsibility devolving upon him in the use of the soil.

It was expected that the Budget of 1909-10 would bring land into the open market. This may have been the result, to a limited extent, as regards land in towns, but it has not so far caused the division of large estates to an appreciable amount. In some instances it has been reported that landowners, as a result of the land clauses of the Budget, have offered their estates on easy terms to their tenants. This method, however, has not been very extensively practised, and, where the tenants have availed themselves of the opportunity of becoming their own landlords, the conditions of purchase and the provision of the necessary capital leave them less resources to employ in the actual tillage of the soil. The truth is that this country has scarcely touched the fringe of the land problem. The Budget of 1909-10 was, in some respects, beneficial, but a more far-reaching legal adjustment is needed to put matters in their proper order. A solution of the problem must be found.

CHAPTER IV

THE EFFECT OF THE GAME LAWS

THE Ground Game Act of 1880 was ostensibly passed in the interests of the farmer. This Act has not removed all the injustices which agriculturists suffer in consequence of the maintenance of estates for sporting purposes. As it exists at present, the measure is a positive discouragement to good husbandry, and involves loss on the part of the farmer which should more properly be borne by the sporting landowner. The intentions of the promoters of the Act were undoubtedly good, but the hand of the landlord, in the making of the law, robbed it of its effectiveness.

Ground game is defined in the Act to be "hares and rabbits." The purpose of the Act is set out in the preamble as follows :—

"It is expedient in the interests of good husbandry, and for the better security for the capital and labour invested by the occupiers of land in the cultivation of the soil, that further provision should be made to enable such occupiers to protect their crops from injury and loss by ground game."

This right, it was proposed, should be inalienable from the occupation of land ; it was to be "incident and inseparable from" the cultivation of the soil. The attitude of sporting landowners to their tenantry, in most instances, has prevented the latter from obtaining full advantage of the Act.

The first clause of the Act grants to every occupier of land the right to kill and take ground

game, upon property rented by him, "concurrently with any other person who may be entitled to kill and take ground game on the same land." Under this provision the sporting right, on the tenant's farm, is retained by the landlord, or may be granted by him to another person. This right carries with it the privilege of entering upon the farm for the direct purpose of killing and taking hares and rabbits, and the tenant has no means of preventing the owner of the sporting rights enjoying his right, even though, as frequently happens, the privilege interferes with the proper economic use of the soil. A privilege of this kind is most unjust to the farmer. Surely when a tenant pays rent he should be entitled to enjoy to the full the land granted to him by the owner!

As regards the interests of the tenant, the Ground Game Act has been a futile measure. It has not given him the legal protection to which he is entitled. No satisfaction will be assured to him until the right of the landlord to enter on his farm for sport is abolished. There is no reason why the unjust privilege should remain on the statute-book. It is expedient in the interests of good husbandry that Parliament should give the farmer full and unfettered control of the land, so long as he pays his rent and observes the reasonable covenants of his agreement.

In some parts of the country mansions are let furnished to those who are primarily in want of sport. The tenancy often carries with it the sporting rights of the estate owner, including uninterrupted access to the surrounding land, appertaining to the same estate, and in the occupation of farmers. When country mansions are let under these conditions the position of the tenantry is a most serious one. The latter must submit,

without demur, to the rights of the sporting gentleman. If the farmer were to object, it would bring him trouble in innumerable ways, not only from the gamekeeper, but from his landlord direct. Hence the tenants in the vicinity of the mansion are in a position of no small difficulty. They are discouraged in the cultivation of their land, because they have no direct means of securing compensation for their losses in consequence of the presence of ground game. They are compelled to suffer injury to their crops.

It cannot be denied that hares and rabbits are most destructive to crops. If the fields are cultivated for the purposes of growing wheat, oats and barley, it is generally found necessary to sow twice the quantity of seed that would otherwise be required. In some cases farmers will sow as much as three times the prescribed quantity of seed, because of the presence of ground game in large numbers. As soon as the first green shoots appear some are eaten up by the hares and rabbits. This goes on until harvest time. It may be that the farmer has sown good seed, cultivated his ground to the best possible advantage, and put forward every endeavour to secure a crop. His crops are, however, poor and fetch a small figure at the market. Some of the most expensive seed sown on land overrun by ground game is known to produce food only fit for pigs and poultry, so great is the havoc caused by hares and rabbits.

The landlord's sport is, therefore, only enjoyed at his tenant's expense. What is pleasure to the estate owner is loss to the farmer. It has been estimated that hares cost the agriculturist twenty times as much as they are worth. When it is known that some landowners place hares and rabbits on the market for sale, it seems inconsistent with good husbandry to realise an insignifi-

cant amount of profit when it is obtainable at a heavy loss to the tenant farmer. A few days of pleasurable excitement, enjoyed by the sporting classes, make enormous inroads into the meagre profits of farmers, and give them no opportunities of increasing the wages of their employees. If sport were reasonably curtailed, the earnings of the agricultural labourers in this country would be more in keeping with modern requirements.

The time has arrived when agriculture should no longer be subordinated to sport. Sporting estates have done more than anything else to ruin the farmer, and at the same time have been one of the causes of the diminution in the rentals of certain agricultural properties since 1879. It is not so much the competitor abroad that the agriculturist has to fear as his own sporting landlord. Given proper protection against the latter by law, the farmer would be better equipped to meet foreign competition in the home markets. It is not because home produce is inferior in quality to the produce from places abroad ; it is because certain restrictions are put in the way of the British farmer, which preclude him from making the best use of his land. Among these limitations may be enumerated the injustice of the Game Laws.

It may be suggested that the tenant has the right, at law, to recover compensation for damage done to crops by ground game, including the damage done by winged game. If this exists at all, the procedure is useless.¹ So long as the farmer desires to remain in the occupation of the land he must submit to the conditions imposed upon him by his landlord. To raise any dispute with his superior, especially in regard to a claim for compensation for damage done by game,

¹ Agricultural Holdings Act, 1906, section 2.

would be fraught with serious consequences in regard to his tenancy. The tenant would, in all probability, be met by a notice to quit. But even if this extreme step were not taken, there are many ways of penalising a tenant for asserting himself. These it is hardly necessary to mention here. There is no existing procedure of obtaining redress which is of any substantial value to tenants.

The difficulty of obtaining satisfaction for injury was amply verified by the Final Report of the Royal Commission on Agriculture, presented to Parliament in 1879. In this Report the Commissioners stated that they "apprehend that occupiers endeavouring to enforce any of these remedies" (*i.e.*, for obtaining redress for damage to crops by game) "find the procedure expensive and complicated"; and the Commissioners further stated that they were "not surprised that cases where compensation has been obtained for damage done by excessive stocks of game are exceedingly rare." Recent legislation has endeavoured to give protection to the farmer; the attitude of the landowner has, however, nullified the law. The tenant's position is little better than it was in the year 1879.

It cannot be suggested that the farming industry is unrestricted in its development, and that the tenant enjoys efficient protection by the State. So long as the Game Laws exist, it is imperative that the landowners should realise the hardships that fall heavily on tenant farmers. It is, perhaps, not so much the old type of landowner who is responsible for the evils prevailing as the new landowner, who has appeared in recent years. The new estate owners are not usually governed by the same principles and the same sense of justice that characterised landowners like the late

Sir Harry Verney, Bart. This generous landlord stated, in 1845, that he had given up preserving game on his property in Buckinghamshire, from a conviction that game preservation in great abundance was a serious discouragement to good farming. At the same time he expressed the opinion "that there are districts in Buckinghamshire in which one-fourth part of the whole produce is destroyed by game."¹ Successors in title in the same family have always recognised the rights of the tenant farmers in the use of their land.

The question of injury to tenants is one that calls for early consideration. It cannot be allowed to continue. There is an urgent need for legal remedy in the interests of agriculture.

A right of action against the landowner, which has sometimes been suggested, would be a useless procedure to the farmer. His profits leave him no resources to enter into a legal struggle, and even if the tenant were in a position to do so his last state might easily be worse than the first. Especially would this be the case if he held the property under a yearly agreement. From the point of view of the tenant there is no advantage to be gained by an action to recover satisfaction in the event of loss.

Perhaps the simplest method of assuring justice to the farmer would be to give to him the legislative right to kill and take game without the control of the owner. The landlord's right to kill hares and rabbits concurrently with his tenant should be abolished. The power to contract out of this legislative right should be forbidden by law. So long as a farmer pays his rent he should be entitled to enjoy the full use of the land just as if he were the owner of the fee simple. A legal protection

¹ John Bright's Report from the Select Committee on Game Laws, 1845-1846.

of this description would tend to diminish excessive sport, and it would assure the tenant absolute freedom with respect to game on land cultivated by him.

This protection would, however, be insufficient if the tenant were not also granted the right to claim damages to his crops caused by game, whether winged game or otherwise, coming from adjoining property, belonging to the landlord or any other person. The limitation of compensation to 1s. per acre, in respect of winged game, should be removed.¹

- ¹ Agricultural Holdings Act, 1908, section 10.

CHAPTER V

THE SUFFERING LABOURER

“THE agricultural labourer is the most pathetic figure in our whole social system. He is condemned by apparently inexorable conditions to a life of unremitting and hopeless toil, with the prospect of the poorhouse as its only or probable termination. For generations he has been oppressed, ignored, defrauded, and now he will have to be reckoned with.” These are the words of a statesman whose opinion ought to command respect. They were uttered by Mr. Joseph Chamberlain. Though this view of the agricultural worker was given expression to in the year 1885, it is substantially true to-day. The wages of the toilers on the land may have increased since the year in question, but the advance is so insignificant that it has been nullified by the increase in the cost of living. The agricultural labourer still calls for consideration by the State. It is surprising that he should have remained quiescent so long.

One sentence in the final summary of the Assistant Commissioners' Reports to the Labour Commission should not be forgotten. It informs us that “the agricultural labourer lives under conditions which are, both physically and morally, unwholesome and offensive.” A report of this kind ought to be read by the British people with shame, and public opinion should be roused to such a degree that this condition of affairs would be removed without delay.

But, it may be asked, Is the agricultural worker

less fortunate than the town labourer? Both classes of workers live under conditions which should not exist in a rich community, and the working classes in towns are not without serious grievances, some of which are directly attributable to our land system. Yet the town worker has a certain amount of freedom which rarely exists in rural districts. In the main, he is not "tied" to a certain dwelling, where the occupation of his house is regarded as part of his wages. He is in a position to control his own home, even if his work should temporarily cease. This is not the case with the rural worker. His cottage is "tied" to the farm, and he is, in consequence, under the domination of his employer. If misfortune befalls him, as sometimes it does, on receiving notice to leave his work, it is one of the greatest difficulties imaginable to find a new house within reasonable time. Both his work and his cottage are uncertain, and this uncertainty adds to his anxieties. Again, many instances occur where labourers have expended time and money on their garden plots, and all is lost upon their sudden dismissal from employment. The labourer on the land suffers from an insecurity of tenure which is not experienced by the town worker.

On the other hand, the agricultural labourer is free from many social hardships which are prevalent in towns and cities. His wages may appear small, but his rent, if any, is not excessive. His hours of labour are long, but they are no longer than those of his brethren in the town. It is true that the housing conditions in some rural districts are appalling, but there are disgraceful conditions to be found in the slums of many busy cities of industry. The agricultural worker enjoys pure air; this cannot be said of those who are in the close confinement of factories and workshops.

The former has many injustices, but, in some respects at all events, he is better situated than unskilled labourers in large cities.

It is, however, not necessary at this point to deal extensively with the conditions prevailing in towns and cities. We are chiefly concerned, for the moment, with the agricultural labourer, whose position in the State calls for earnest and serious consideration. His somewhat isolated position is apt to cause him to be forgotten. It is urgently necessary that the problem of wages and housing in rural districts should be speedily dealt with. In the solution of these problems, and in the stemming of the tide of emigration from the country-side to the town, lies the remedy of some of the social evils in towns.

It is true that the position of the agricultural labourer, speaking generally, has improved in recent years. This improvement is, perhaps, confined almost exclusively to an increase in wages. As already pointed out, the latter have, however, been very slightly advanced, and there is a great need for still further improvement, before the position of the worker on the farm can be regarded as satisfactory. The little advance which has taken place is almost entirely due to a reduction in the number of workers. This reduction has caused a scarcity of labour; in some counties farmers are at their wits' end to find men to do the work on the farm. Hence the slight increase in the wages of the agricultural labourer.

Wages are still insufficient for a man to maintain himself and his family in decency and comfort. So long as they remain at the present level, so long will the housing conditions in rural districts be disgraceful. The agricultural labourer will never be able to pay the rent of a more respectable dwelling until his wages are on a reasonable basis.

To-day the wages in England vary from about 14s. 6*d.* per week in Oxfordshire to 22s. per week in Durham. The average for England is, however, only 18s. 3*d.* In Scotland the agricultural labourer receives about 19s. 3*d.* per week; in Wales 17s. 3*d.*; in Ireland as low as 11s. 3*d.* per week. These figures do not take into account the loss in wages when temporarily out of work, or the heavy drop in weekly income, during winter months, when the agricultural labourer suffers most severely.

In a previous chapter attention was drawn to the disgraceful conditions of rural housing in this country. Many of the houses are unfit for human habitation, and should be demolished by order of sanitary authorities. Until extreme steps are taken by some strong central authority no improvement will take place. The agricultural labourer and his family will, otherwise, continue to suffer from the insufficiency of cottage accommodation.

There is no evidence that the landowners, as a whole, are realising their obligations in this connection; on the contrary, there is abundant proof that they are knowingly and willingly neglecting this duty of landownership. It is often the chief concern of the owner to preserve the amenities of the estate, and so long as these amenities receive first consideration, no substantial improvement will be noticeable in the matter of housing.

Any surveyor, who has had any experience at all in the management of large landed estates maintained for sport and pleasure, knows that there is nothing that has contributed so largely to a deplorable shortage in cottage accommodation as the unfeeling attitude of the landowners to this question. There is generally a feeling of horror at the thought of taking more ground for

the purpose of cottage building. Too many cottages in the vicinity of the mansion would destroy the amenities of the property ; hence new dwellings, though in great demand, are not erected to the extent required. This difficulty of finding house room brings unnecessary distress to the rural worker. The writer has known many instances where young men, on marriage, have been compelled to seek homes in neighbouring towns but who would have preferred to be nearer their parents, where they could find employment on the land. Instances of this kind occur in many rural districts throughout England.

The hardships of overcrowding in villages are also a serious menace to the comfort and happiness of the agricultural labourer. As a rule the cottages are very small. Sometimes they are barely sufficient for two persons ; but how frequently are they overcrowded. Provision is generally made for two small bedrooms only, and numerous cases could be quoted where the total number of occupants, male and female, is eight or more. It is stated in the sixth volume of the Census Report for 1911 that, on the average, the number of persons per house was as high as 4.51. There are comparatively few cottages that provide sufficient accommodation for the housing of so many people. Some have not even two bedrooms, others are merely bothies which furnish none of the comforts of ordinary home life. It is not an exaggeration to state that the larger proportion of the cottages in the villages of this country are insufficiently large for the housing of the people living in them. Most of them are old, insanitary, and in considerable disrepair.

No gentleman has written more eloquently, on behalf of the suffering agricultural labourer, than Sir H. Rider Haggard. With his special per-

mission the following extract is quoted from his interesting and valuable work, "Rural England":

"Among the farms which I visited in the neighbourhood of Waltham (Essex) was one which had been held by the same family for nearly a hundred years. The farmer assured us that do what he would he could make no more than his rent and a fair living. I asked him of his labour, and was rewarded by a strange discovery. He was employing twenty hands at an average weekly wage of from 18s. to £1, some of whom we saw at work. As he was without cottage accommodation on the farm, I inquired where these men lodged. He answered, 'In one of the buildings.' I asked to see the place, and was shown a brick shed, measuring twelve or fourteen feet square, which might have served as a waggon-house, and was, I think I am right in saying, windowless. In this place, upon sacks that were laid round the walls, slept the twenty men upon the floor. No washing apparatus was visible and no fireplace.

"About a hundred yards away, on the slope of a hill, stands a hollow elm, at the foot of which were the ashes of a fire and an iron rod to support the cooking pot. Round about lay some boughs, which served as benches. This was at once the kitchen and the parlour of the twenty men, who winter and summer did their cooking and spent their Sundays and leisure hours with no other shelter than that old tree afforded—or so I was informed. . . . These labourers, by the way, were all casuals, and presumably unmarried; but their employer said that some of them had been with him for as long as three years.

"Let the reader realise the position. It meant that the men, twenty, or perhaps less of them in winter, within thirty miles of London, existed, and I presume still exist, at all seasons of the year in a fashion that the lowest Kaffirs would refuse. Their sleeping place, a crowded shed, their bedding, sacks, their shelter, by day a tree, their food such as unskilled hands can cook in an iron pot, their female society none, their recreation the beerhouse, where, as their master told me, they spend the most of their good wages; their refuge in sickness the public infirmary, to which when I was at the place one of them had just been taken. Had I not seen it with my own eyes I would not have believed that such a state of affairs was possible. And yet who is to be blamed?

Not the farmer, as he had at most but one cottage on his holding. The landlord? Very probably he could not afford to build, and knew nothing of the matter. The men? Work was plentiful; they might go elsewhere if they liked, but so far as I was able to discover were satisfied with their lot. The problem is too hard for me. Of one thing only am I certain: it is not right that in a highly civilised country human beings should pass their lives under conditions that must be as comfortless and insanitary as they are degrading."¹

The state of affairs disclosed in the above quotation is, indeed, almost incredible in this country, but as the facts have come under the direct notice of Sir H. Rider Haggard they should be sufficient to convince anyone, who is interested in the welfare of the people, of the absolute need for some reform in our land system. In the instance just furnished the tenant was paying the high rent of £2 per acre, which surely ought to have made it possible for the landowner to provide suitable cottage accommodation. It is difficult to understand why the local authority did not institute an inquiry into the matter, with a view to compelling the owner of the property to remedy this injustice.

It may be that the case of the Essex labourers is an exceptional one, but the housing question in general is very acute all over the United Kingdom. What can be the effect on the *morale* of the agricultural labourer? Where children are reared in overcrowded cottages, what hope is there for the future of the British people?

The water supply in most cottages is woefully deficient—in many districts it is unfit for either human or animal use. Reference has been made to the water consumed in certain rural districts of the county of Devonshire. The same defects

¹ "Rural England," Vol. I., pp. 47-48: Sir H. Rider Haggard.

are to be found in other neighbourhoods. Rarely is pure filtered water laid on to the dwellings of the labourers on the land. More often than not the agricultural labourer draws his water supply from the rain tub, or from the polluted depths of the village pump. The owner frequently spends hundreds of pounds in ensuring, for his own personal use, a reservoir of pure, fresh water, but little regard is generally given to the requirements of the people beyond the confines of the park. The laws in regard to Public Health must be lacking in effectiveness, if they do not ensure a better supply of drinking water to the cottagers of England.

Who is there who has not travelled through the rural parts of this country and seen houses which are not worthy the name of a cottage? How often attached to some of the country homes of England are to be found buildings devoted to the use of the sporting landowners' dogs which are infinitely superior to the cottages in the occupation of agricultural labourers! There are, indeed, dog palaces forming some of the appurtenances to mansions, whilst within a comparatively short distance there are so-called houses which are nothing more than "human kennels." Packs of hounds, maintained for sport and pleasure, are better kennelled than human beings are housed. The sanitary arrangements for the kennels and stables are vastly superior to those of the cottages. Dogs are well protected from the weather, but the peasant and his family suffer from insufficient covering. In many instances the roofs of cottages are found to be open as a result of broken slates or tiles, thus exposing the inhabitants to the inclemency and uncertainty of our English climate.

The meet of the hunt often furnishes to the social reformer a most striking contrast. On the

one hand there are the gaily-dressed members of the landowner's family, accompanied by many friends from the immediate neighbourhoods. These are attended by innumerable servants. The hounds suggest that they are well-fed and otherwise well provided for. The scene is one of pleasurable excitement to those who are to enjoy the sport of the day. On the other hand, there are the agricultural labourers surrounded by their wondering children. The abject condition of these, who have no share in the sport, is truly pathetic. In contrast to the rich, by whom they are lorded, they are ill-fed and ill-clad. To them, life offers little or no pleasure; they must be content with the ordinary humdrum, arduous existence to which they have become heirs.

The distinction between slavery and the poverty-stricken people on the land is not very great. It is true that the suffering labourer enjoys political freedom, so far as Acts of Parliament have been able to grant it to him, but he is yet only a short step from virtual slavery. Sir H. Rider Haggard's experience, in regard to the county of Essex, is a proof of the harsh, grinding, hopeless life of the toiler on the land. Bad as feudalism was in the olden times, it assured, at any rate, a more happy existence than the agricultural labourer experiences to-day in many parts of this country. Feudalism could not, of course, be tolerated in these days, but it is clear that all the progressive measures of reform in past centuries have failed to prevent the use of land for excessive sport, and have failed to ensure a decent livelihood for the peasantry of England.

It may be urged that landowners minister to the needs of the labourers in innumerable charitable ways. Coals and blankets are provided in severe weather; district nursing societies aid the

afflicted ; free reading-rooms and village libraries tend to brighten the lives that are overshadowed by despair ; whilst often the members of the landowner's family bring delicacies to the humble dwellings of the aged poor. These charitable aids exist in every village, and, so far as they go, they serve in removing some of the pressing cares of the working population. But the agricultural labourer does not want charity ; he demands justice.

Charity, unwisely used, is an insidious evil. It has a dangerous moral effect on the labouring classes. In villages there is a tendency on the part of the workers to regard it as a necessity to which, by force of circumstances, they must submit. The distribution of charitable relief saps the independency of the agricultural labourer, who frequently is discouraged from an endeavour to improve his position. Such a disregard of his personal interests can only land him eventually in the workhouse, because there comes a time when mere charitable relief is insufficient to meet the wants in old age. Fortunately, there are signs of an awakening to a sense of right and wrong. Education has assisted in widening the outlook of the rural worker, and he is now beginning to realise that he has the God-given right to a larger share of the country's wealth. As soon as he takes full advantage of his rightful heritage he will refuse to be assisted by charity.

One thing which has prevented agricultural labourers from advancing their *status* has been the absence of an effective trade union. Unlike town workers, agricultural labourers are scattered all over the country. There is no opportunity of combining for their common interests, and there is little chance of their succeeding in drawing national attention to their condition by organised effort. Certain labourers' organisations exist, but

hitherto they have been unsuccessful in raising their members in the social system.¹

If it were possible to organise agricultural workers there would be a social upheaval. At present they are somewhat isolated and, without doubt, occupy an unenviable position in our national life.

¹ Since writing the above, the agricultural labourers in Lancashire have secured, by organised effort, an increase of 2s. a week in wages, extras for overtime, and Saturday half-holiday (June, 1913).

CHAPTER VI

RURAL DEPOPULATION

IN the preceding chapter we reviewed the condition under which agricultural labourers are obliged to work and live. It was pointed out that, in addition to the injustice of low wages, the housing of the rural workers caused intense suffering among this section of the community. These unsatisfactory features of village life, it was shown, existed in a land where sport and pleasure were extensively looked for by the rich and favoured classes. It is, therefore, appropriate that we should now consider how far the depopulation of the countryside is caused by the conditions prevailing.

From 1881 to 1900 it was found that 1,432 farmers and graziers, together with 221,000 labourers, left the rural districts for the towns. During the same period the number of farmers and graziers in this country decreased by no less than 56,610, and the number of agricultural labourers and farm servants decreased by 322,997.¹ Since 1881 nearly three millions of acres in the United Kingdom have passed out of cultivation. Some of this area, it is true, was devoted to the needs of rapidly developing towns, but the acreage of land thus utilised is insignificant when compared with the agricultural land which has passed from arable cultivation to ordinary pasturage, or which has been taken for sporting purposes. The withdrawal of land from cultivation

¹ Census of England and Wales, 1901 [Cd. 2174, p. 177].

has been chiefly due to two causes—first, the lack of labour to work on the land, because of low wages and unsatisfactory housing conditions; second, the requirements of sporting estate owners.

Apart from the enormous number of emigrants, the influx of labour to the towns has been very great. This shifting of labour is, perhaps, not so extensive as is commonly supposed, but it is sufficiently large to cause serious apprehension. It is a matter which, in some counties, is causing great difficulty in the farming industry on account of the lack of labour. Many agriculturists are compelled to allow their fields to remain inadequately cultivated because of the drop in the labour market. Many years ago it was comparatively easy for a farmer to secure, at the hiring season, all the labourers he wanted without difficulty. There were then more labourers in want of employment than there were employers in need of them. To-day there is quite a different state of things in the agricultural labour market. In some districts farmers cannot secure all the labourers they require. Especially is there a dearth of younger men. And there is apparently no sign of improvement, because the amount of emigration to places abroad and the migration to the towns, is increasing every year.

There are two phases of rural depopulation which demand serious consideration:—First, the emigrants who have gone abroad are, to a large extent, engaged in the raising of food supplies, which are shipped to this country, thus adding to the perplexities of the British farmer in the home markets; second, the influx of labourers to the towns is accentuating the difficulties in urban districts.

Hence, as regards agriculture, the low wages and housing conditions result in the farmer's

troubles being substantially increased as a result of competition from abroad in the supply of food. If agriculturists had been in a position to satisfy the reasonable demands of the labourers, they would have avoided an interference with their industry, at any rate, to the extent they are experiencing to-day. Further, the wages of the town labourer are low because he has to compete with his fellow-countrymen from the villages. The latter have no idea of the cost of living in urban districts, as compared with their native places, and they will often willingly accept a wage which is absurdly insufficient to maintain themselves in comfort and decency. This pressure on the labour market in towns and cities has resulted in a substantial drop in the wages of unskilled labourers in the centres of industry, whilst it has been no small factor in increasing the percentage of unemployment in years of bad trade.

It is not possible to grow the whole of our food supplies at home, even if it were profitable to do so ; but, given fairer treatment in the charges for the transit of agricultural produce over British railways, there is no reason why we should not raise more wheat than we do at present. Nowadays the high rates do not enable the home farmer to compete favourably with the colonial and foreign producers. Landowners might encourage a return to the cultivation of land for the raising of food, by giving greater freedom to farmers, and by providing suitable rural dwellings, where they are needed. There can be no sound and permanent prosperity in agriculture, there will be no solution of the problem of rural depopulation, until land is used to the fullest extent. This is not the case at the present day. If the farmer had fuller liberty of action in the cultivation of his holding,

if he were properly safeguarded against unreasonable increases in rent, he would be in a position to pay higher wages, the rural worker would be able to pay a higher rent, better houses would be in demand, and rural depopulation would be reduced.

We have already discussed some of the causes of rural flight, but there are other causes besides those already referred to. Sunday labour is resented ; some farmers adopt the bad practice of employing their men for a part of the year only ; village industries have decayed ; labourers have very little chance of acquiring an interest in a piece of land ; the unremitting toil, the pauperising conditions and dulness of rural life have aroused a sense of fear, amounting to horror, in the minds of the young men ; the use of machinery in the cultivation of the soil has played an important part in forcing the people to industrial centres and to places abroad.

It is admitted that the nature of farming requires labour to be exercised on Sundays, but much friction and dissatisfaction might be removed if farmers would arrange for their men to work alternate Sundays. The system of throwing labourers out of employment during a part of the year, especially during the winter months, is highly objectionable. Much good might be done by fostering small industries in villages. Small holdings should be put upon a sound basis, so that the poorest man, by the aid of agricultural banks, may secure an area of land if he has the energy and desire to work it. The conditions of labour might be improved and the rural worker freed from the pauperising nature of his every-day life. As regards the use of machinery, this is the natural outcome of the onward march of progress, but its effects would be adjusted if all other matters were favourable to the agricultural worker.

But the fundamental cause of rural depopulation is, perhaps, the fact that there is no house room in the midst of plenty. In the country land is cheap and abundant; labour, also, is less costly than in towns; yet most landowners fail to build cottages, though they are so urgently needed by the people around them. Some owners, it should be stated, have disregarded the cost and the small yield per cent. on the capital outlay, and have built suitable dwellings where required. In these instances it has been observed that rural depopulation has become almost non-existent; labourers are now well housed, fairly contented, and the difficulties of farmers in regard to the provision of labour are removed.

Some system should be devised by which the provision of cottages would be ensured. This could be done by giving urban and rural district councils greater powers to acquire land and erect dwellings thereon. In the case of parish councils the requisite powers would, of course, be exercised by the county councils. In the event of failure to exercise these powers a central authority should be empowered to step in and act independently of the local administering bodies.

It is, however, not only in the matter of housing that owners are dilatory; much good might be done in stemming the tide of emigration by the improvement of lands by drainage. It is true that some fields would be seriously injured by a system of tile drainage; but there are innumerable acres that could be drained with advantage. The expenditure of money, in addition to increasing the fertility of the soil, would materially assist the agricultural labourer by providing wages. The laying of drains is a class of work which can easily be undertaken by the rural worker. Perhaps the chief reason for the absence of efficient drain-

age in many parts of the country is the cost which, in the spirit of the Agricultural Holdings Act of 1908, should fall on the landowner. There is no inclination, on the part of most owners, to add to the capital investment in land, even though it is admitted that it would improve the soil, and ultimately increase the rental. Hence, much of this work is left to the tenant, who, in cases of sheer necessity, expends his own capital and labour on the land. Under the Act referred to the tenant may only receive compensation for improvements in drainage at the end of his tenancy, and only when the previous consent of the landlord has been obtained. This consent is frequently withheld, drainage works are often not carried out, and a substantial loss in wages is felt by agricultural labourers.

Many estate owners have endeavoured to justify their refusal to carry out improvement works by resorting to charitable aid. The rural worker is, however, now less inclined to accept this form of relief. He sees the land needing development ; it offers to him a livelihood if only he has access to it. One of the barriers between him and the soil is the owner himself, who fails to recognise the possibilities of the land in his ownership.

It must be conceded, nevertheless, that some small owners are so poor that the returns from their estates hardly justify them in further capital expenditure. In numerous instances the land would be developed, if the incomes therefrom were not already very small.

In other cases the neglect of drainage works is due to the thriftlessness of landlords. Incomes, sometimes substantial, are annually expended on luxury, motoring, house parties, and foreign travel without devoting sufficient to the proper maintenance of estates. Especially is this the practice

where the ownership is limited to a person's life, and where the tenant for life has no interest in his successor. This class of owner disregards the responsibilities of land ownership, and he is a serious menace to village life and prosperity. A wise expenditure out of income would not only maintain the revenue-producing power of the property, it would assist in retaining the agricultural labourer in the country. Many instances could be cited where estates are becoming more and more involved in mortgage debt because of borrowings to erect buildings and carry out other improvements when they could no longer be held back. These improvements should, as far as possible, be made out of income. In the same way, borrowings have been made on successive occasions to meet estate and settlement duty, until the annual income has been to a large extent eaten up by interest charges. If a wise provision had been made to meet all charges on the land, both present and prospective, scores of estates would have been free from heavy debt, and more money would have been available for the encouragement of good farming. Those who are in the habit of arranging mortgage loans for landowners know that frequently from $3\frac{1}{2}$ to 4 per cent. is paid in interest, even when the average yield of the estate on its capital value is only about $2\frac{3}{4}$ per cent. The thriftlessness of certain families in this country is bringing about a decay in agriculture, and, in consequence, it is driving the people from the villages.

If commercial gentlemen adopted the same methods in their businesses it would inevitably lead to disaster. Except in very rare cases, a stockbroker or financier does not borrow from his bankers if he can only obtain a return of a lower rate of interest than that paid to his bank. It

would be folly for him to attempt to carry on any undertaking under these conditions for any length of time. Yet, in the management of agricultural land, it is the general practice to pay a higher rate of interest than the actual yield per cent. in rents. Family pride, sentiment, and a desire to maintain social influence are the causes of this absurd method of arranging finances. As a result, the annual expenses of the estate increase, there is a tendency to cut down the repairs bill, the rents are increased whenever an opportunity presents itself, the wages of the labourers do not advance. All these considerations are creating a feeling of unrest in the rural districts, and depopulation is the natural outcome.

If it were not because there is a tendency among large estate owners, in these days, to use up their annual incomes in the purchase of luxurious ease, rural depopulation would disappear, or, at any rate, be diminished substantially. The wealth from land was formerly spent more largely at home; a comparatively modest proportion was expended abroad. At one time country life was more simple and less ostentatious than it is in these modern days. Landowners, in previous generations, used a substantial portion of their rentals to preserve their properties in an efficient state of repair. Out of their incomes they also found it possible to invest their surplus cash in the improvement of their land and buildings. These methods were generally adopted until the fall in agricultural rents commencing with the depression in agriculture in the year 1875. Since that year it is true that the owners of large tracts of agricultural land have not enjoyed the same returns as their ancestors, but, if it were not for the disinclination to cut down their private expenditure upon sport and pleasure, it would have been

possible for them, without undergoing serious inconvenience, to have maintained and developed their landed interest more satisfactorily than they are doing to-day. So far as small owners are concerned, the shrinkage in agricultural rents often leaves but little beyond ordinary personal needs.

Luxury is one of the root causes of the rural flight. It not only leads to the impoverishment of estates, but it has a baneful effect on the simple life of the humble villager.

As long as wealth is excessively used in semi-productive ways, the riches of the rich will necessarily cause the poverty of the poor.

In the words of the late Mr. W. E. Gladstone, "the decrease of the rural population, call it what you like, explain it how you like, is a great national calamity."

CHAPTER VII

RURAL HOUSING REFORM

THE present system of letting cottages with farms has grave disadvantages from the standpoint of the agricultural labourer. As long as the practice continues the labourer will have no economic freedom. From the point of view of the farmer, it may truly be urged that the system has its advantages, but, in the interests of the suffering labourer, it should be discontinued wherever possible. It is unreasonable to place men in the precarious position that prevails, in every part of the country, in regard to the housing of the agricultural worker. A "tied" cottage gives no sense of independency, it places workpeople sometimes under the domination of an unjust employer, it cramps the career of the labourer's children, and it leaves men and women under a haunting dread of insecurity of home life.

In order to bring about one of the first essentials of rural housing reform, cottages should be freed from the farmer's control. There may, in some instances, be practical difficulties in doing this, but where the dwelling-houses do not form part of other farm buildings they should be retained by the landowner and let by him direct to the labourers. The latter would be more contented, and would possess a greater sense of security, if they paid a rent direct to the owner. The provision of a cottage as part wages is unsatisfactory; it does not encourage a man to have a pride in his place of abode; it positively discourages him

from taking an interest in the world around him.

Furthermore, many of the cottages are unfit for habitation. This is the case not only with houses occupied by agricultural labourers, but applies equally to dwellings in the occupation of other rural workers.

Some cottages have already been condemned by local authorities; there are hundreds of other buildings which ought to be demolished. The difficulties in the way, however, are great. If houses are closed there are no other premises available until landowners provide them. In numerous parts the urban and rural district councils have failed to act, because they are somewhat under the thumb of the landed proprietors. Frequently the estate steward is chairman, or at any rate a member, of the council. To meet these difficulties, which are real and of frequent occurrence, it is necessary that more effective control should be exercised by the Local Government Board, or by some new central authority. The procedure of instituting public inquiries by officials under the direct control of the Local Government Board should be simplified. Under the Housing and Town Planning Act, 1909, it is necessary for an appeal to the Board to be signed by four householders of the district. This condition has not encouraged the development of the housing question. It is, indeed, questionable whether many rural workers are aware of the requirements of the Act, but if they were the tyranny of the present land system makes them afraid to move in the direction suggested by the Act. The Housing and Town Planning Act requires drastic and immediate amendment. It should be possible to set up an investigation on receipt of a signed requisition from four house-

holders, not only in the particular district, but in any part of the county. There would then be no difficulty in finding the requisite number of householders occupying a more independent position, and who would be willing to furnish the Local Government Board with the information required. This would lead to a greater determination on the part of the local governing bodies to improve the housing conditions in the areas under their jurisdiction, and it would arouse landowners to a sense of their responsibilities in this connection. No satisfactory improvement will take place in rural housing, however, unless some central authority is empowered to act independently.

It is satisfactory to find that some landowners have taken steps to remedy the evils in certain villages, and their example might well be emulated by others. In the county of Warwickshire agricultural labourers are, on the whole, housed under more favourable conditions than they were formerly, but, unfortunately, this cannot be said of all counties.

The provision of good cottages, with suitable garden plots, and free from the control of farm tenants, would bring about a rapid improvement in the village life in this country. There is, indeed, no chance of keeping agricultural labourers in their native districts unless they have suitable houses to live in. x

The burning question in regard to new cottages in rural districts is, Can they be built to pay? It must be recognised that the cost of erecting a new dwelling in accordance with the building regulations of the Local Government Board necessitates a rent out of all proportion to the wages of agricultural labourers. At present the latter occupy premises which are only worth about 1s. to 1s. 6d. a week in rent, rarely more than 2s. If

the owner requires from $3\frac{1}{2}$ to 4 per cent. return on his expenditure, he cannot build cottages which would be within the reach of the labourer so long as his wages are maintained at the present level. The cost of erecting cottages without taking into account the value of the land, varies from about £175 to £200. In some districts they would cost £250 each, but this amount would be needed in very rare cases.

In some exceptional cases cottages have been built for about £160 each. The dwellings erected by Lord Salisbury on his estate at Hatfield furnish an example of what can be done in the matter of cheap cottage building. These cost about £160 each, and they are in every way efficient. The housing conditions on this property have done a great deal towards making the agricultural labourers content. The rooms may be small, but the fact that the owner has been able to provide three bedrooms speaks strongly in favour of the cottages he has erected. The kitchen is of moderate dimensions, being 14 feet by 11 feet. There is a scullery adjoining which measures 10 feet by 7 feet. Each of the three bedrooms are 9 feet by 6 feet. The latter are really too small for comfort, but where several persons of both sexes reside in the same house three sleeping rooms meet a great need. The rents of these cottages built by Lord Salisbury vary from 2s. 6d. to 3s. a week, not by any means excessive for the accommodation available. It is clear that private enterprise can do much in improving the housing conditions, when there is a real interest in the welfare of the people.

In Ireland a great improvement has taken place in the provision of good cottages at a cheap rent. Under the Irish Labourers Act nearly 40,000 dwellings have been erected, and over 3,000 are

in the course of completion. The rents are as low as 1s. to 1s. 6d. per week. Some of the cottages, at slightly higher rents, have about half an acre of land given in with the tenancy. Under an Act passed in 1906, the Public Works Loans Commissioners are authorised to advance a sum amounting to £4,250,000. The interest on the loans, under this Act, is at the rate of $3\frac{1}{4}$ per cent., and this rate includes sinking fund charges. In England and Wales the charges by the same Commissioners are much higher, being equal to $4\frac{1}{2}$ per cent. for interest and sinking fund. Under the Act of 1906 a subsidy is granted by the State, and it is in the power of Irish local authorities to raise further money, by a rate not exceeding 1s. in the pound, for the purpose of encouraging the better housing of the Irish labourers.

The Garden City movement, as well as the Co-partnership Housing System, has done a great deal towards the development of housing in semi-rural and urban areas, but even the smallest houses, erected on the most economical principles, necessitate a rent which is quite beyond the capacity of the agricultural labourer. It is, therefore, unlikely that either of these movements will be of service in benefiting rural workers. The smallest dwelling built on Garden City and Co-partnership Housing methods requires a rent, inclusive of rates, equal to 4s. or 4s. 6d. per week. There is no agricultural labourer in this country who could afford such a luxury.

The building of cottages by public loans is not desirable, if it can be avoided. The system of advances by the Public Works Loan Commissioners now in vogue in Ireland could not be applied to Great Britain. A large subsidy to landowners in this country would be an economic mistake, and it would be an act of injustice to the good land-

owners who have interested themselves in housing reform by personal expenditure on their estates. If any funds are provided by the State in this country for the purpose of housing reform, they should only be available through a central authority, which should be authorised to acquire the fee simple of the land. On no account should advances be made, at a cheap rate, to landowners direct.

There are many local authorities that have expressed a desire to undertake the provision of cottages in districts where landowners are disregarding their responsibilities, and where private enterprise has failed because it is unprofitable for a builder to engage in rural housing development. Petitions have, indeed, been presented to local governing bodies by the inhabitants of the villages appealing for the erection of new houses. In their despair the councils have communicated with the estate owners. The latter have, in many instances, flatly refused to move in the matter. Despite the recommendation of medical officers of health, and the desire on the part of urban and rural district councils to effect some reforms in rural housing, no decided action is being taken.

It has been suggested that there is a great danger in giving a subvention in aid of wages. Some writers on economics contend that the rate of wages should first be raised so as to enable agricultural labourers to pay higher rents. There are practical difficulties in bringing about a rapid rise in wages; the housing question is one that should be dealt with at once. The suggestion that the provision of good cottages by the State would amount to a grant of pecuniary aid to landowners, and an encouragement to agriculturists to maintain wages at their present level cannot be received with any amount of seriousness.

Precisely the opposite result has been experienced in Ireland, where wages, since the provision of better houses, have increased by nearly 10 per cent. Better houses in Great Britain would tend to encourage an improvement in the standard of living, the agricultural labourer would become more assertive, and an advance in the rate of wages would be sure to follow.

Until the powers of local authorities are increased and fully exercised in the matter of housing reform, or until some central body is instituted, landowners must be pressed to demolish the insanitary dwellings and called upon to provide new cottages. The question is naturally asked, On whom should the extra rent fall? It cannot be borne by the rural worker, for the simple reason that his wages are insufficient already. The farmer? He cannot reasonably be asked to bear the burden. The landowner? This is the question we ought to answer.

Suppose a landowner were to be called upon to build a number of new cottages on his estates. It would be necessary to find the requisite capital by the sale of land, or by the realisation of certain other investments, or by means of loans. Let it be assumed that family pride deters the owner from disposing of part of his land. He will then probably resort to the realisation of invested capital in railways or industrial undertakings. It may be that his investments, outside landed interests, yield 4 per cent. If capital is taken in this way, and used in the building of new cottages, there will obviously be a reduction in the yield per cent. Should the landlord be expected to bear this loss? Morally, there is no reason why he should not shoulder the responsibility. The holding of agricultural land, from the point of view of investment, may have been disastrous in some

cases, but this is no justification for claiming that the burden of housing reform should be thrown on the community as a whole. The landowners of this country, unfortunate though the position of some of them may be, must be called upon to pay the price of a monopoly, which brings many social privileges.

But, in endeavouring to justify landowners who may have neglected to keep pace with the times in the provision of cottages, too much is made of the inevitable reduction in the yield per cent. The argument that there would be often a loss of $2\frac{1}{2}$ to 3 per cent. on the capital is a fallacious one. It should not be calculated on the outlay on new cottages alone. The provision of houses is a responsibility which falls on the estate as a whole, and the loss in the yield should be spread over the entire rental value of the property.

It would be interesting to take a hypothetical case to show how a landowner would be really affected by the building of cottages. Suppose the present yield of the estate is 3 per cent. and that the net income is £3,000. The capital value of the property will be about £100,000. Now, if ten cottages are needed, a sum of about £2,000 would be required for the purpose. If this capital is found by the realisation of investments yielding say, 4 per cent., there would be a net annual loss of £80 to charge in the management expenses of the estate, that is, the income of the property would be reduced from £3,000 to £2,920. What would this latter sum return as a yield per cent. on the original capital value of the estate plus the investment of a further £2,000? On the sum of £102,000 there would be a yield per cent. of about 2·86 per cent. That is, the drop in the yield from 3 per cent. to 2·86 per cent. is only equal to ·14 per

cent. The latter figure is insignificant, when compared with the shrinkage which is sometimes experienced as a result of the Stock Exchange fluctuations of railway and other securities. So trifling would be the loss, so far as the landowner is concerned, that rural housing, as it exists to-day, should not be tolerated by the community. A loss of income is not a desirable experience, but there appears to be no other course open to the landowner. He must face the situation and fulfil his obligations.

The increase in education, during the last thirty years, has taught the agricultural labourer that, as a member of a civilised State, he ought to be quite independent of charitable assistance and the financial aid of the Poor Law guardians. No longer does he desire to be the subject of the kindly solicitude of the squire and his family. He demands an economic wage harmonising with the cost of living. When a reasonable wage is secured he will be in a position to pay the rent of a more suitable home.

The introduction of a minimum wage would have an important bearing on the housing question in rural districts. If Wages Boards were extended for the purpose of securing, in due time, a proper return for a day's work, varying, it may be, in amount in different localities, it would enable all rural workers to raise their standard of living, especially in regard to housing. The old-fashioned cottage, with its deficient accommodation and insanitation, would disappear, and in its place there would rise up in every village in this country a house which would be worthy of the name of a dwelling.

His Majesty King George V., in words which "become the throned monarch better than his crown," told the nation, in reply to an address on

his accession, that "the foundations of national glory are set in the homes of the people. They will only remain unshaken while the family life of our race and nation is strong and simple and pure."

CHAPTER VIII

SMALL HOLDINGS

THERE has now been time to realise the effects of recent legislation relating to small holdings. It will, doubtless, be agreed by all parties that, despite success in some neighbourhoods, the Act of 1908 has not succeeded in effectively reorganising the rural life of England. It has failed, chiefly, because landowners have not fallen in with the spirit and intentions of the measure. Where land hunger is most pronounced the difficulties in the way of securing small holdings have been most noticeable. The same determination to maintain tracts of land, in as few tenancies as possible, for the purposes of pleasure and personal enjoyment is evident in this, as in all other phases of the land question.

In the year 1892 a Small Holdings Act was passed, and this soon proved useless. After fifteen years only 881 acres were acquired for the purposes of small holdings. It was found difficult to secure a holding because there were very few persons who were in the position to take land under a purchasing agreement. Peasant proprietorship was tried and found wanting.

The Small Holdings Act of 1908 was more successful, for the reason that land could be taken under a renting agreement. Two years after the commencement of the Act 62,589 acres had been acquired for small holdings. At the close of the year 1910 the total quantity of land acquired by county councils was 89,253 acres. Of this acreage

53,642 acres had been purchased by county authorities at a cost of £1,695,836, and the remaining 35,611 acres were leased for rents amounting to £44,489.

In 1911 the Small Holdings and Allotments Act was passed and, *inter alia*, repealed subsection (3) of section 31 of the Act of 1908, which subsection had prohibited the compulsory acquisition of land of fifty acres or less in extent for the purposes of small holdings and allotments. Subsection (3) had been found to work unfairly in a large number of cases where applicants wanted less than fifty acres. The pace at which land has been acquired by county councils since 1911 has been accelerated. According to the last report 154,977 acres have actually been acquired, or are in process of acquisition, by the administrative authorities. Of this acreage 104,533 acres cost £3,385,262, and the remaining 50,444 acres were leased at a rental of £63,528. In all the Act has resulted in the provision of land for 15,176 applicants in five years.¹

The attitude of landowners and the county councils has, however, rendered the Act practically useless in some districts. Altogether, the Commissioners have received applications from 39,263 individuals; only about one-third of this number has been satisfied. The total area applied for amounts to 653,875 acres; only about one-fourth of this land has been secured. An allowance should, of course, be made for those applicants who are likely to prove unsuitable for small holdings, but these facts go to prove, nevertheless, that the Act is not fulfilling the intentions of its promoters. It is, indeed, a dead letter in some parts of the country. The demand for small holdings is greatest in the districts where land

¹ Annual Report on Small Holdings for the year 1912 [Cd. 6770].

cannot easily be acquired. In these localities suitable applicants are faced with the problem of removing to other neighbourhoods in order to secure holdings. The demands are increasing every year, and there is now no possibility of present applications being dealt with, unless something is done to facilitate the acquisition of land for the purposes of the Act.

In spite of the difficulties we have just mentioned, some useful work has been done, and the reports already published are sufficient to demonstrate the value of small holdings in reinstating the labourer on the land, where proper facilities are given. Mr. Cheney, in his report to the Board of Agriculture in the year 1911, stated that

“ a large number of deserving men have been established on holdings, the stream of migration from the rural districts, both to the large urban centres and to the Colonies, has been checked ; the continuous decrease in the number of small holdings in the country has been converted into a small but steady increase ; there have been few failures in spite of the somewhat unfavourable seasons ; and many of the tenants are so well satisfied with the terms and conditions of their tenancies that they are anxious to increase the size of their holdings as soon as possible.”

It is regrettable that many of the bodies responsible for the administration of small holdings have not co-operated with the Government in making the above result even more successful. There is no doubt that, if the Act had been worked in every district in England and Wales, the effects would have been far-reaching ; hundreds of people would have remained in the villages, and hundreds more would have left the busy centres of industry. The village life of England would have been substantially regenerated. In striking contrast to the inactivity of certain county councils it is encouraging to know that the Small Holdings

Act has stimulated some landowners to provide small holdings on their private estates without the intervention of the county councils.¹ In this way quite a number of agricultural occupiers have been created under conditions that are conducive to success.

Scotland has not yet had sufficient time to show the results of the Small Landholders (Scotland) Act, 1911, but this measure is certain to be of great value in regenerating the rural life of the country north of the Tweed. The act extended the Crofters Acts to the whole of Scotland, and it is applicable to all small yearly agricultural tenancies, as well as other holdings, the tenants of which reside within two miles of their land. Under the Act certain funds are raised annually for facilitating the acquisition of new holdings, the enlargement of present holdings, and the improvement or erection of new dwelling-houses and other buildings on the land held by small landholders and cotters. The third section of the Act set up a Land Court which was undoubtedly a step in the right direction. The Land Court has power to negotiate with landlords for the constitution of new holdings. In the event of a landlord refusing to negotiate, the Court is empowered to make an order, and to fix fair rents for the holdings. The Court is also authorised to hear claims for compensation in respect of depreciation in value of an estate by reason of the constitution of small holdings, unless the claim exceeds £300. In the latter event the matter is to be referred to arbitration.

Sir Robert Edgecombe's experiment deserves mention because his efforts in connection with small holdings have shown what can be done by private enterprise in fostering a return to the land.

In the year 1888 Sir Robert Edgecombe acquired the property known as Rew Farm, in the parish of Winterbourne St. Martin, Dorsetshire, and containing in all about 343 acres. This area was cut up and sold in small holdings. At the time of the purchase the rateable value of the estate was £215; it is now £451. The original population was 21; the land now has a total population of over 100. This experiment has proved in every way successful. Other private enterprises have been most useful in giving suitable people an interest in a piece of land and encouraging the cultivation of the soil in the best possible way. Notable among these are the laudable efforts of the Marquis of Lincolnshire, who, in addition to his meritorious administration of the Act, as President of the Board of Agriculture, has shown an excellent example to other landowners in the provision of small holdings on his private estates.

It has been suggested that hitherto the Small Holdings Act has not been of great assistance to the agricultural labourers, and it is pointed out that the larger proportion of the applicants come from the towns. There is doubtless a good deal of truth in the statement, but it must be remembered that many of the town labourers who have availed themselves of the Act have migrated from the country-side in recent years, and have taken the earliest opportunity of returning to the land. In this respect alone the Act has been beneficial, inasmuch as it has relieved the pressure on urban areas, although this has not been sufficiently extensive to be noticeable. At the same time, it is highly desirable to encourage the agricultural labourer to take advantage of the Act whenever possible, and, if necessary, he should be given the financial assistance of the State to an

even greater extent than that provided by the existing Acts of Parliament.

There is no doubt that the Small Holdings Acts, satisfactory though they may be as a new development, require to be considerably extended if the best results are to be achieved. It would be well, therefore, to consider here a few objections to the law as it stands at present. It has been found that the cost of land has been excessive in some localities, and out of all proportion to the real value of the property. In some instances prices are prohibitive, and make it quite impossible to acquire land on a basis which would make it remunerative to the small holder. To meet this objection it should be enacted that, where a provisional agreement has been entered into between the county council and the landowner, the purchase price to be paid should be automatically fixed as the value arrived at by the Land Valuation Department. At any rate, this value should be regarded, *primâ facie*, as the price to be paid for the property, and the landowner should thereby be precluded from demanding an exorbitant figure. If the landowner does not desire to sell the land outright, but has entered into a provisional undertaking to let the land to the authorities for the purpose of the Act, the rent should be fixed by a Land Court to be set up by the State, similar to the Land Court in Scotland. These Land Courts will be discussed in a subsequent chapter. These remedies would ensure the acquisition of land on terms favourable to small holders, and would safeguard the latter from a rent which, in some cases, is two to three times the rent that a farmer would agree to pay.

Another objection to the Acts, as they exist at present, is the absence, in some cases, of suitable buildings on the holdings. Often no house is

available, and this deters many suitable persons from taking advantage of the offers held out to them. Where necessary, proper buildings should be erected for the purpose of working the land, including a cottage for the small holder. It is true that in some districts new houses have been provided, but the number is relatively small; indeed, since the Act came into operation only 488 houses have been built.¹ The provision of more cottages, on land purchased outright by the State, would stimulate the acquisition of small holdings, and at the same time the rural housing question would be partly dealt with.

Again, it is necessary to devise more effective machinery to work the Acts than that now available. The county councils are, ideally, the best bodies for the purpose, if they can be compelled to administer the law. The members of the county councils are familiar with the requirements of their particular neighbourhoods, and if small holdings are needed the fact would be within their knowledge. Many bodies, notwithstanding, have failed to prepare schemes on their own initiative, and in some instances they have given no assistance whatever to the Small Holdings Commissioners. Hence, in many localities, the Act is, to all intents and purposes, invalid. Probably the primary reason for this neglect on the part of county councils is due to the power exercised over these bodies by landed proprietors, who desire to maintain their estates intact for their personal use and enjoyment. Undoubtedly, selfish considerations have contributed largely to the extensive indifference in regard to small holdings. In order to remedy this state of affairs, it should be enacted that the Small Holdings

¹ Report of the Board of Agriculture on Small Holdings, 1912 [Cd. 6770].

Commissioners, or preferably a Land Court, be empowered to carry out a scheme, in the event of the neglect of the county council so to do. At present, under the Act of 1908, it is the duty of the county council to carry out a scheme, but there is no machinery for compelling this body to discharge its lawful obligations. The absence of this provision has rendered the Act useless in very many parts of the country. If, on the failure of the county council to act, the Land Court were authorised by legislation to acquire by compulsory methods an area of land in any district, it would at once put an end to the present disregard of the aims of the People's Parliament in reference to the rural life of England.

Reference has already been made to the Game Laws, and it is only necessary to point out here that they work unjustly against some small holders. Where small holdings and allotments are rented from sporting landowners, the tenant's land is sometimes overrun by ground game, and the owner of the sporting rights enjoys the concurrent right to enter upon the land of the small holder for the purpose of netting or killing ground game. This concurrent privilege should be abolished, and the tenant should have the protection of the State against the tyranny of the landowner, if he claims compensation for injury by game from adjoining property, including winged game.

The cutting up of farms into small holdings has, in some districts, caused the rates to be levied at a disproportionately high figure. It has been ascertained that in several cases the rates have been quadrupled. Some legislation is necessary to protect small tenants from over-assessment, and this must be secured by a reform of our rating system.

The English small holder occupies a compara-

tively insignificant position as compared with small holders in Germany, France, Denmark, and other European countries. In these latter countries the small holder is assisted financially in the development of his land ; in England the small holder is not aided beyond the provision of four-fifths of the total cost of purchasing the land. This privilege is of no value to the man who has not the means to pay the remaining one-fifth of the purchase price, leaving him an adequate sum to use in the actual cultivation of the land. What is required in this country is a system whereby small holders, as well as farmers in general, may obtain financial aid by means of co-operative credit banks. These banks have worked well in Germany, France, Belgium, and Italy. In the countries mentioned about £18,000,000 was lent in the year 1909, and of this sum over £15,000,000 was deposited by the agriculturists out of their savings. Mr. A. J. Balfour, M.P., although distinctly favourable to the ownership system of small holdings, admitted the necessity of Credit Banks for the encouragement of the cultivation of the soil. Speaking at Edinburgh in 1910, Mr. Balfour said :

“ that in order to produce that co-operation and in order to enable holdings to be purchased, in order to provide the necessary means by which they could be successfully carried on, there must be either Government assistance acting directly, or Government assistance behind the land bank, or Government assistance acting through the advice of a skilled department. Government assistance there must be. With Government assistance, whether rendered directly or through the machinery of the land banks, I believe we should add to our existing system that which was an immense strength agriculturally and socially.”

This view of the necessity of banks to aid agriculture is also held by other gentlemen of note. The Marquis of Lincolnshire, in his capacity as

President of the Board of Agriculture, said in the same year that he had been considering whether he could devise a plan to lay before his colleagues to give improved legislative, administrative, and financial facilities for the establishment, on a sound basis, of a satisfactory system of co-operative Credit Banks for the benefit of agriculture.¹ The system has been endorsed by the Lords' Committee, on which many distinguished persons sat, including Lord Cromer, Lord Herschell, Lord Macdonnell, and Lord Welby.

These Credit Banks, when established on a national basis, should give every facility for men of known character and ability to obtain financial assistance in the purchase of stock and materials for use on their holdings. If the loans were to be limited to the purchase of land alone, the Credit Banks would be useless. There is little or no demand in this country for the ownership of land by small peasants. The heavy mortgage debt would hang like a millstone around the neck of the small holder, and there would be little hope of his freeing himself from the burden; indeed, one season's misfortunes would probably be sufficient to bring about his downfall. In these circumstances his small holding would prove a curse and not a blessing. On the other hand, if he were allowed to become a tenant, and financed to a reasonable amount, he would be able to pay off his loans within three years at the most. Possibly a much shorter period would suffice.

It is true that section 49 of the Small Holdings Act, 1908, gives county councils the permissive power to advance loans of this kind to co-operative societies, but there do not appear to be any reasons why these authorities should not be empowered to lend to individuals, if the applicants

¹ Speech to National Farmers' Union, 4th August, 1910.

are of good character. The clause is practically inoperative because of its permissive nature. If it is to be of any use in re-creating England, it should be obligatory on the county council or some central body, to provide loans, unless it can be proved undesirable to do so. In the latter event a society, or an individual, should be entitled to make an appeal to the Small Holdings Commissioners, or to a Land Court, whose decision should be final. Section 49 of the Act reads as follows:—

“ A county council may promote the formation or extension of, and may, subject to the provisions of this section, assist societies on a co-operative basis, having for their object, or one of their objects, the provision or the profitable working of small holdings or allotments, whether in relation to the purchase of requisites, the sale of produce, credit banking, or insurance or otherwise, and may employ as their agents for the purpose any such society as is mentioned in sub-section (4) of this section.”

If the system of agricultural loans were extended along these lines to small holders, there is no reason why the land of England and Wales should not be put to better economic use than is the case at the present day.

No attempt has yet been made to institute Credit Banks by statute, but this question is receiving the earnest consideration of the Government. Until some regular system is devised and put into operation in every village, the provisions of the Small Holdings Act, 1908, will not be as effective as the promoters of the measure intended it to be. At present there are only about forty credit co-operative societies in England and Wales, of which twenty-seven have come into being since the year 1908. This number is too small to be of real use in dealing with the question from a national standpoint, and it is clear that better facilities for obtaining credit should be available, if not co-operatively, then by direct State aid to

individuals whose character and ability are undoubted. In setting up a system of Credit Banks it is certain that the county councils cannot be relied upon to provide the necessary loans. Why should not the machinery of the Post Office Savings Bank be used for the purpose by some central department? In every village there is probably a post office already, and the present officials could, without difficulty, undertake the small banking business that would be needed. It should be enacted that every small holder, on producing a certificate from the authority, may be entitled to apply to the local Post Office Savings Bank for the money he needs up to the amount authorised by the council. Before issuing certificates of this character the authority, if done locally, should be required to report to the Small Holdings Commissioners and obtain the approval of the Board of Agriculture. The Board of Agriculture should be empowered to make any regulations that may be necessary for the repayment of loans.

The rate of interest on money advanced, under the arrangement suggested, would be fixed, from time to time, by the Savings Bank, and in the event of loss of interest or principal the amount of such loss should be refunded by the local authority to the Savings Bank out of its rates, to an amount not exceeding the limit fixed by section 17 of the Act of 1908, viz., one penny in the pound on the total rateable assessment in any one year; the balance, if any, to be refunded by the Exchequer. This system would work simply, and would ensure the certainty of credit to a man of respectability on the recommendation of councillors having an intimate knowledge of the applicants themselves.

It is not possible here to deal exhaustively with the question of agricultural co-operation. The

matter is, however, an important one in the interests of small holders. If central farm buildings, comprising barns, granaries, together with machinery for treating corn and roots, were built by county councils or rural district councils, they would be of great benefit to small tenants in dealing with their produce.

These reforms are not idealistic ; they are, in every way, practical. If adopted they would give the agricultural labourer a new interest in his toil. No longer would he suffer under the monotony and drudgery of his life ; he would become a new creature, and sensible of a dignity which has too long been withheld from him.

CHAPTER IX

AFFORESTATION

THE wholesale neglect of afforestation by landowners is additional evidence of the tendency to use land for the purposes of sport and pleasure instead of devoting it to profitable development. In the olden times, when feudalism was rampant, one thing that the landowners did not fail to give attention to was the planting of trees. This was regularly and systematically carried out. As a matter of fact, it was regarded as a duty, not only to the people immediately around them, but a responsibility which they were obliged to assume in the interests of the nation. In addition to rendering service to the country in maintaining soldiers, the ancient landowners were generally willing to make provision for the needs of future generations in regard to timber.

This is not the case to-day, except in very rare instances. Landowners are more ready to consider their own personal needs, and this disposition has resulted in the country being extensively denuded of its trees, without steps being taken to sufficiently replant the areas. Where plantations do exist at all, they are preserved for the purpose of adding to the amenities of the estates, and not, generally speaking, for the production and sale of timber. It is not inaccurate to say that the cost of maintaining plantations on many estates is reduced to a minimum. At one time it was considered desirable to spend a substantial part of the rental in replanting, but this practice has almost disappeared.

The system of settled estates is largely responsible for the abandonment of timber-producing areas. A tenant for life has not always the same interest in his successor as he has in himself, and under circumstances like these the replanting of trees has been largely discontinued. Again, the regrettable practice of mortgaging estates for the purpose of raising money to meet estate duty, instead of providing for this contingent liability out of annual income, has so burdened some of the stately homes of England with interest charges that land agents are, perforce, unable to carry out afforestation schemes, as they did formerly, because the estates under their control would soon bring in a much reduced income to the owner. No agent, nowadays, can disregard the net income side of his estate management, because many of his clients have little interest in their properties beyond the amounts that are passed by the estate steward to the credit of their banking accounts, and thus available for their personal needs.

Having regard to the fact that we are almost entirely dependent on foreign countries for our timber supplies, there is a great need for extensive planting throughout the length and breadth of the British Isles. It cannot be expected that Canada will be able to ship timber to the Mother Country indefinitely. The forests of the Dominion are rapidly becoming derelict, and in recent years the United States have been making bids for their timber supplies from our Canadian people. In the same way, the timber from Russia will surely diminish in the very near future. These facts should bring home to the minds of all true Britishers the urgent need for afforestation in this country.

It may be suggested that the community of to-day would not be likely to benefit by the expen-

diture of capital in afforestation schemes, and that the whole profits would go to our descendants in the next generation, or to some more remote successors of ours. This contention can hardly be tenable unless we were, at the same time, prepared to hand down to our followers a country free from its present National Debt. In order to be consistent, those who object to afforestation on the ground that all benefits would be enjoyed by the future generations should at once begin by redeeming the National Debt, so as not to entail heavy financial responsibilities on the shoulders of our descendants, for which they could, in no way, be held responsible. The enormous expenditure incurred in the recent South African War still figures, to a large extent, in the nation's liabilities. Would it be reasonable to hand forward this accumulated debt to our children if we did not take steps to enable them to shoulder the burden by increasing the resources of the country? The objection cannot be entitled to serious thought for a single moment.

But it is inaccurate to state that the present generation even would not benefit by the development of afforestation in this country. The State would derive many advantages by the expenditure of capital, along these lines, within a comparatively reasonable time. Indeed, in some respects, the benefits would be immediate. The planting of trees for the production of saleable timber would create a wages fund from its inception. Thousands of acres now lying practically dormant would be put to a valuable economic use. Hundreds of people would leave the urban districts, where unemployment is keenly felt, and make for the freer and healthier life of the countryside. The migration of our rural population would substantially diminish. Wages received by labourers

in carrying out schemes of planting would be expended on the various necessities of home life. Many trades and industries in the country would thereby be stimulated. The annual wealth of the community would substantially increase. Poor relief would be reduced. The percentage of crime would be on the down grade. All these are the benefits which the community would receive by the introduction of wise schemes of afforestation.

There could be no more profitable employment of State capital than that of reviving the growth of timber. It is true that many years would elapse before forests produced an actual cash profit, but it would be a certain profit, and, what is more, it would yield a high percentage on the capital outlay. The fact that the cash return would be deferred for a long period should not deter the State from embarking on this enterprise. A private individual, in the ordinary way, expects to realise the profit within his lifetime. In these days of modern commercial enterprise the profits are looked for within a few years, possibly within a few months. A State, on the other hand, can afford to wait. We legislate not for to-day only, but also for the future.

It is not generally realised that it would be possible to grow nearly all the timber we require in this country, year by year, and thus be more or less independent of foreign countries. As far as Canada is concerned, we should not be doing an injustice to this part of the British Empire, as before many years elapse the supply of timber from this part of the world will be substantially reduced, and in course of time the remaining timber will be needed by Canada herself, to meet the demands of her rapidly-extending trade. It would be possible to produce timber of equal

quality, if not, indeed, of superior quality, to that at present imported from abroad. In addition, we could produce within the borders of our own country the greater part of the wood-pulp required in the manufacture of paper. What an enormous increase in the productive power of the British nation is possible by adopting afforestation on extensive lines!

The development of forestry could be effected without interfering with the land already utilised by the agricultural industry. Indeed, not a single acre need be taken from the agricultural land of this country for the purposes of afforestation. It would be sufficient to take the uncultivated, or partly cultivated, land, including, in some districts, mountainous regions, the upland reaches on the hills, and moorlands at present used for the rearing of grouse. Some of the poorest land of England and Scotland would grow various classes of timber with little cost, beyond the initial expenses of preparing the land and the planting of trees. It is not an exaggeration to state that there are millions of acres that could be used in carrying out afforestation schemes.

We have discussed the apathy of British landowners in reference to this important question. We have shown that it is largely attributable to the use of land for sporting purposes and to the lack of interest on the part of tenants for life or their successors. There seems very little likelihood of any steps being taken in this matter by the landowners themselves, and it is evidently a question for the State to take in hand. Some politicians have suggested that landowners should be encouraged in the afforestation of portions of their estates by the grant of State aid by means of loans payable in forty or fifty years. No greater mistake could be made by the people than the

granting of further doles to the landed proprietors of England, who are already enjoying too many privileges at the public expense. If funds are found by the State for the purpose of planting trees, the country should first obtain the land required by compulsory purchase, and thus secure all future profits for the National Exchequer. Afforestation should be carried out by a State Department, on well-ordered lines, and the price to be paid should be that fixed by the Land Valuation Department, with the right of appeal to a judicial Land Court on the part of aggrieved landowners. This method of valuation would avoid the payment of fictitious prices by the community to landowners, whose ideas of value are governed by the nature of the necessities of a nation.

Unfortunately, there is a lack of knowledge regarding forestry in this country. It was ignored for a long time, and it is only in recent years that the art of silviculture has been regarded as an important one. Some of the colleges in this country now devote some portion of the curriculum to the teaching of this important subject, but it is not taken up with the earnestness that the subject demands. The instruction is mainly given in a perfunctory manner. It is necessary to treat the question more seriously, if the nation is to take advantage of its possibilities in this direction.

Land agents have realised the necessity of afforestation, and it is satisfactory to note that the Council of the Surveyors' Institution have for many years given special prominence to the subject of Forestry in the training of young surveyors. Forestry has, for a long time, figured as one of the subjects in the professional examination to be taken before admission to the Institution. The result of this recognition of the importance of the question by Surveyors has been the creation

of an army of professional men, who could easily assist in the preparation of suitable afforestation schemes and carry them out in the best possible way. Among the matters to which special attention is given by the Surveyors' Institution in the syllabus relating to this subject are the following : The cost of formation of plantations ; the propagation of young plants in the nursery ; the formation of plantations, including the laying out and draining of suitable areas ; tree-planting ; the cutting and sale of timber ; the best species of trees for growing in the United Kingdom ; the diseases of trees ; the influence of climate and aspect ; the character of soils ; the growth of underwood and coppice ; and the general management of growing timber.

In numerous parts of the country, where copyhold tenure exists, it appears to be to the interest of neither the landowner nor the copyholder to grow timber, because, under the unsatisfactory system which prevails on copyhold land, the landlord has no power to enter upon the property and cut the timber growing thereon, unless he first receives the consent of the copyholder, except where there is a definite custom permitting him to cut timber. On the other hand, the copyholder may not cut down and sell timber-like trees unless he has the licence of the landlord to do so. This restriction on both parties operates disastrously in the matter of afforestation in most districts, and it has caused the timber to disappear from the face of the land. If the copyholder planted trees, they would become the property of the lord, when they had grown to timber. The limitation should be removed as early as possible. The subject of copyhold tenure is, however, one that cannot conveniently be dealt with here, and it is left for consideration in a subsequent chapter.

PART III
RESTRICTIVE COVENANTS IN LEASES OR OTHER
AGREEMENTS OF TENANCY

“ We desire to develop our undeveloped estates in this country—to colonise our own country—to give the farmer greater freedom and greater security in the exercise of his business : to secure a home and a career for the labourer, who is now in many cases cut off from the soil.”—SIR HENRY CAMPBELL-BANNERMAN, December, 1905.

CHAPTER X

LAND LAWS FOR LANDLORDS

IN the preceding chapters we dealt, at some length, with the serious aspects of the land question, chiefly in relation to the people as a whole. It is now desirable to point out the various restrictions, legal and otherwise, which almost invariably act as a check on individual enterprise. Before doing so, however, it will be interesting, as well as instructive, to inquire into the influences that have been at work in the making of land laws in this country. In this investigation we shall find an explanation of the special privileges that have always been enjoyed by the landed classes, and which have made it possible for those who own the soil to place whatever restrictions they pleased on the shoulders of tenants. These restrictions, if not even granted by law, are at any rate permissible in tenancy agreements, because in most instances they are not prohibited by statutory measures.

Land Laws, as they exist in the United Kingdom to-day, have been passed principally because the landowners, hitherto, have been able to make their will prevail in the Parliament of the People. The Legislature should be conducted in the interests of the nation; in practice, however, private considerations have received first attention. In no phase of government has this been more noticeable than in regard to land ownership. Every Act of Parliament, having any bearing at all on the question of property in land, whether in

reference to title, tenancy agreements, or rating and assessment for public purposes, reveals the hand of the landowner. The statute-book swarms with enactments in his favour. From time immemorial down to the present day there have been clear evidences of the selfish designs of those who have had proprietary interests in land. The disregard of the requirements of the people is strikingly shown in numerous instances, and the tendency to legislate along the same lines is prevalent to-day. The hostility to national progress is frequently exemplified in speeches delivered in the House of Lords, and, occasionally, in utterances from public platforms. Unfortunately, however, landowners do not speak as frankly, or as readily, at public meetings as they do in the debating chamber at Westminster. If opinions similar to that expressed by the Duke of Northumberland in the House of Lords in November, 1909, when he stated that the provision of cottages was not an urgent matter and urged that it was "much more important that owners should be safely guarded in the possession of their property"—if these opinions were uttered before public audiences, they would do more than anything else to arouse the British people to a realisation of the dangers involved in the private monopoly of land. It is, indeed, passing strange that the community is so indifferent on this question. It is not the possession of property which should be safely guarded by the laws of the country; the rights and happiness of the people are more vitally important.

Had Parliament been conducted entirely for the benefit of the nation, and not primarily for the benefit of the privileged classes, is it conceivable that the statute-book would have been so full of Land Laws for landlords? Would it have been

possible for landowners to insert in every lease or agreement of tenancy, and in many deeds of conveyance, restrictive covenants and conditions which, while protecting the landowner, are burdensome on the occupiers? If the will of the people had prevailed throughout all time we should now be free from reservations that prevent the best economic use of land. The Land Laws of this country are what they are because the people have had no effective voice in creating or restricting them. They have been passed, in the main, to preserve or safeguard the illegitimate privileges of large landlords, whose land titles would not bear the slightest investigation if they were not bolstered up by prescription. The present laws will remain on the statute-book, in their present form, until the people have risen to a true sense of their injustice.

Among the customs and laws relating to land perhaps one of the most glaring instances of wrong was the Inclosure Acts. The first Act was passed in 1709, and numerous Acts, more or less of the same character, were passed from that time down to the year 1869. Having regard to the rapid increases in population, it may have been desirable to inclose land for the purpose of cultivation, but, from the standpoint of the nation, there was no reason why landowners should have been able to appropriate large tracts of land as their own property. It would have been to the advantage of the people if this proceeding had been prevented, and the land would have been put to better economic use than is the case at the present time. Moreover, the agricultural labourer could not have been in the same unfortunate plight as he is to-day. The nation did not realise the advantage gained by the landed proprietors until it was too late. It was not till the year 1869 that inclosures by private

owners were effectively stopped. Though the lords of the manors near London hoped to reap a golden harvest from the common lands, so eminently suitable for building purposes, their designs were frustrated. Epping Forest, in addition to other property, was secured to London for ever. Commons are now regulated in the public interest under various Acts of Parliament, including the Metropolitan Commons Act, 1866, prohibiting further inclosures in the metropolitan area, and the Commons Act of 1876, giving rights over common land in the provinces. Furthermore, in 1899, an Act was passed under which the council of any urban or rural district may assume the management of commons under certain conditions.

Another custom which is still upheld by the landlords in this country is the practice of primogeniture. Various attempts have been made to abolish the system, but they have had little chance of success, in consequence of the attitude of large landowners, who strongly desire to maintain the law or usage. This opposition was very evident when the Land Transfer Bill was under consideration in the year 1887. On this occasion Lord Halsbury inserted a clause in the Bill with the object of making the devolution of realty the same as if it were personalty. Even the late Lord Salisbury consented, at the same time, to the abolition of primogeniture, and cautioned the members of the House of Lords not to reject the measure. The Bill was strongly opposed by the great landowners on the ground that the measure, if it reached the statute-book, would be tantamount to a sentence of death, and that it would bring about the extinction of many ancient families. After being rejected, the Bill was reintroduced, but the clause relating to the

abolition of primogeniture was struck out by the Peers.

The power exercised by landowners, in shaping and retaining the laws of the United Kingdom, stands out with peculiar significance, when it is remembered that the principle of primogeniture is almost entirely confined to this country. It has already been dispensed with by other European States, and was, of course, rejected by the United States on the ground of its being contrary to the character of the constitution of the American Republic. So long as the power to hand over large estates intact by testamentary disposition remains, it may be contended that the abolition of primogeniture would be useless, but even if this were the result there is no reason why the antiquated custom should not be dispensed with once and for all.

Although in theory the law of entail has been profoundly modified, if not actually abolished in practice, it is still competent for landowners to produce an almost similar effect in the way of tying up land by means of settlements. The method is for large estates to be re-settled, generation after generation, and although it would be possible for each successive owner to break the pseudo-entail created in this way, tradition and family custom are so strong that it is very rarely done. In consequence, extensive estates remain in the hands of one family, generation after generation, in unbroken ownership.

Again, the system of Copyhold Tenure, with its relics of feudalism, furnishes another instance of the determination, on the part of land monopolists, to preserve a custom or law for their own particular benefit. It is true that it is now possible to enfranchise copyhold land, but the rules and

methods of procedure, consolidated in the Copyhold Act of 1894, lean more to the side of the landlord than to the side of the copyholder. Inasmuch as the Lords have enacted that the costs of enfranchisement are to be borne by the party desiring it, there is no great inducement on the part of the tenant to take advantage of the Act.

The numerous Land Improvement Acts were primarily passed with a view to giving financial assistance to those who owned land. It cannot be denied that these measures were of some considerable benefit to agricultural tenants, but they serve to show how the help of the State has been requisitioned, in order to enable landowners to fulfil some of their duties to the occupiers of the soil. The Public Money Drainage Acts, passed between the years 1846 to 1856, provided for the advance of money from the nation's purse for the purpose of improvements by means of drainage, irrigation, roads, planting of trees for shelter, and, in some cases, the erection of buildings on property belonging to private individuals. The funds available, under the terms of these Acts, were very quickly absorbed, and it soon became necessary to make further provisions. A number of other Acts were adopted, giving permission to private companies, either to advance the money required, or execute the improvements on behalf of the landowner. Later, the Land Improvements Act, 1864, was passed, and this measure was extended by another Act in 1899. Under the provisions of the most recent legislation it is now possible for landowners to borrow money by creating a rent-charge on the property, payable within a fixed number of years by tenants for life during their lifetime.

Landlords have also been able to retain the

legal right to distrain for rent, although this right is now limited to one year's rent, in agricultural tenancies, and not to six years' arrears, as was formerly the case. Its maintenance as a law is due to those who have extensive interests in land. Despite the injustice to other creditors the privilege is retained. The right should be abolished, as no landlord should have special privileges conferred upon him which do not apply with equal force to members of the trading community. A protected right is inconsistent with the government of a democratic country.

Reference has already been made, in a previous chapter, to the Ground Game Laws which are still forced on the tenants of agricultural land. It is not necessary, therefore, to refer to them again, excepting to repeat that they are an injustice inflicted by landowners in order to protect their own sporting interests. In addition, the Agricultural Holdings Acts of 1875, 1883, 1900, 1906, and 1908, admirable though they may have been in their original purpose, have been seriously limited in their scope, like many other measures that could be mentioned, by the powerful hand of the landowner.

From what has just been stated it will be readily seen that there is abundant testimony of land monopoly in the United Kingdom. This monopoly not only exists in the actual ownership of land itself, which is limited to a comparatively small number of persons, but it is bolstered up, protected, and safely guarded by an array of Acts of Parliament that exist to-day by reason of the landlord's legislative power.

It is this monopoly of land which is creating all the difficulties we are meeting to-day with reference to use of the soil both in rural districts and centres of large populations. If the privilege continues,

then things will go from bad to worse ; but as soon as private interest in land is eliminated the injustice of the present Land Laws will vanish. When this event takes place, and no sooner, the farmers, as well as town tenants, will be able to free themselves from a multiplicity of restrictions which now discourage the best economic use of land.

If the Budget of 1909 served no other purpose, it disclosed, in a powerful way, the determination on the part of many large landowners to preserve their estates intact, and to avoid the possibility of the people encroaching on the privileges granted by the Land Laws of Britain. The idea of a complete valuation of land was enough to strike terror into the hearts of the privileged landowners. It is precisely the same spirit of fear and hostility which encourages the opposition now being offered by many landowners in the working of the land clauses of the Finance Act, 1909-10 ; the same hatred will remain, because the thin end of the wedge has at last been driven into the citadel of private interests in land.

The law of landlord and tenant is complex and full of iniquities. The absence of simplicity in the relations between the owner and the tenant works very well for the former, but it operates most disastrously on the latter. Even the customs of a country district, in regard to agricultural tenancies, very often have been construed chiefly in the interests of the landlord, and with this purpose in view they are frequently maintained. Especially is this the case in regard to the right of the landlord to control the character of the cultivation. The laws and customs in relation to tenancies permit innumerable restrictions on enterprise and development. In the two succeeding chapters we shall see how they affect both the

agriculturist and the town tenant. It is sufficient to say here that the continuance of unreasonable limitations on individual effort, in these modern days, when competition from abroad demands the most earnest activities of the British people, has brought about a change in the relationship between landlords and their tenantry. The old sympathetic feeling is rapidly disappearing ; the occupiers of the soil are realising, none too early, that the fruits of their industry are taken by landowners under Land Laws and customs that are neither just nor equitable.

CHAPTER XI

RESTRICTIONS ON AGRICULTURE

IN the preceding chapter an attempt was made to briefly review the legislation in recent years in reference to land and its application to the different classes of occupiers in this country. It is now desirable to examine, in greater detail, the unfairness of Land Laws regarding agricultural tenancies.

If it is not possible to show most clearly that there are many barriers to the profitable use of land, set up by the landowners themselves, then the blame for the present state of the agricultural industry, within our borders, would attach wholly to the farmers. It is not suggested that the latter can be entirely exonerated from responsibility ; there is much that could be done by developing agriculture, and in bringing about more prosperous conditions, by greater regard being paid to the requirements of Nature on the part of those who till the soil. But to condemn the agriculturists of this country for their lack of initiative and enterprise would be unjust, unless due consideration were given to the conditions under which they are compelled to carry on their business. It is safe to assume that agriculture would not have fallen into its present condition if the restrictions on the occupation of land had not prevailed for so many centuries. The Land Laws and customs of the United Kingdom are a positive discouragement to agricultural prosperity, and the irony of the situation is the fact that they have brought

loss to both landowners and farmers. To the former, because the land has not been used to the best advantage; to the latter, because they have been precluded from utilising the capabilities of the soil for which they pay rent. Wheat would not be as successfully grown in Canada to-day if the same restrictions on development prevailed there as they did in England until the year 1908. Given more reasonable railway rates, the farmer could produce food as cheaply in this country as abroad, if he were not compelled to labour under conditions which are highly objectionable.

The customary agreement of tenancy in respect of agricultural land is generally an interesting document. It shows how little regard is usually given to the tenant, and how securely the landlord is guarded. A farmer is called upon to fulfil the following obligations:—(1) To preserve all game except ground game; (2) to prevent any public footpath being made; (3) not to mow meadow land more than once in any one year; (4) not to cut grass later than usual in the district; (5) not to plough land without licence; (6) to consume all hay on the premises; (7) if produce is sold off the farm, manure to an equivalent value must be bought and spread on the land; (8) to preserve all timber and timber-like trees; (9) to repair and sustain buildings; (10) to renew fences and gates; (11) to cleanse drains and ditches; (12) to plant all vacant places in hedges; (13) to cultivate the soil in a good manner; (14) to reside in house; (15) not to assign or sublet; (16) to paint inside the buildings once in a given number of years; (17) similarly to paint outside once in a prescribed number of years; (18) to take out a fire insurance policy in the name of the landowner and pay the premium; (19) to pay rent and taxes, except landlord's property tax; (20) to pay an addi-

tional rent of a given sum per acre of pasture land ploughed by the tenant without licence ; (21) to pay 5 per cent. on all moneys expended by the owner in new buildings, drainage of land or other improvements ; (22) to permit the landlord or his agent to enter on the premises for the purpose of viewing the condition ; and many other restrictions of a similar nature.

It is true that some of the covenants introduced into farming leases or agreements are desirable in the interests of the tenant, but the great majority of the conditions are included, primarily, for the protection of the landlord. Indeed, in some documents it is quite apparent what the tenant may or may not do, but the covenants on the part of the owner are very few and severely limited in their operation.

One matter which falls somewhat heavily on the farming tenant is the customary notice to quit, which is too short. Agricultural leases are not so common as they were at one time, and the tenancies of agricultural land are now more generally confined to yearly agreements, except as regards Scotland. Under this system of uncertain tenure the farmer is obliged to work with the knowledge that he may be faced with a notice to quit requiring him to leave his premises within the short period of twelve months. This is not sufficient to give a sense of security, and a feeling that he is certain to obtain the full advantage of his industry and enterprise. It should, however, be stated that cases of this kind are not very numerous, and arise, chiefly, in the event of the owner desiring to dispose of his estates, with vacant possession, within a short period. The question of disturbance received very careful consideration by the Departmental Committee which sat in the year 1912, when it was strongly recommended that at

least two years' notice should be given in the case of farm tenancies, in order to avoid loss on the part of the tenant. Usually a farmer dislikes a long lease, but there is no reason why he should not be assured of a tenure of at least two years' duration. He would feel more secured in the occupation and cultivation of the land in his holding.

Until more security is given to the husbandman, intensive cultivation cannot be expected. There is no industry in which the risks are so great as that of agriculture. A farmer may have a run of several bad seasons ; his losses during this time may have been heavy ; he looks towards the next year or two as an opportunity of recouping himself for his misfortunes ; but he is discouraged from exercising the most skilful means in the use of his land by the ever-present thought that the more he exerts himself, the more will the landowner desire to share the profits arising from his enterprise. Frequently farmers are criticised because they do not bring to their aid the advantages of science, and because they do not discard the old-fashioned methods of ploughing and tilling the soil for modern appliances. What would these avail if the tenant knows that the landowner is ready to come down on him for an increased rent as soon as the higher productivity of the land is attained ? Most agriculturists would revise their methods if they were absolutely certain that they would reap the profits of their forethought and energy. The lack of assiduity and intensive culture is due, in a large measure, to the restraining influence of estate owners.

The Agricultural Holdings Act, 1883, which with the Acts of 1900 and 1906 is now consolidated in the Agricultural Holdings Act, 1908, intended to secure to farmers the value of drainage works

carried out by them as "unexhausted improvements." In some instances generous landlords have fallen in with the spirit and provisions of the Act and have given their assent to the laying of tile drains by tenants, and have thereby pledged themselves to remunerate the occupiers for their expenditure, in the event of the tenancy being determined by one or other of the parties. But in what a large number of cases have farmers met with a refusal by landlords or their agents! How often this is due to lack of interest, or the absence of funds, or both! In many of these instances the land would be drained at the tenant's expense, but in consequence of the attitude of certain landowners, tenants are afraid to jeopardise their holdings by taking advantage of the provisions of the Act.

Section 3 of the Act of 1908 provides that compensation shall not be payable for drainage works, referred to in the second part of the Schedule, unless the tenant, not more than three and not less than two months before commencing the works, has given the landlord notice of his intention to drain land. At the same time, the farmer must furnish the owner with full particulars of the manner in which he proposes to carry out the work. On receiving such notice the landlord and tenant may then agree upon the terms, in which case the owner will be liable to pay the compensation agreed to, in the event of the tenancy being terminated. On the other hand, the landlord may himself undertake the improvements, charging an additional rent equal to 5 per cent. per annum on the outlay. In the absence of an agreement, and on the failure of the landowner to carry out the drainage works himself, the tenant may execute the improvements and claim compensation when the tenancy ceases. It is, however, only in very

rare cases that tenants will risk their own capital in works of this kind. Generally all their available resources are used in the direct conduct of their business. To meet the objection which is frequently arising in respect of farm tenancies, the owner should be compelled to carry out the works, if it can be shown that the land is of such a nature as to profit thereby, and where intensive culture is sure to result. The question as to whether land should be drained or not would be for the consideration of a Land Court, with appropriate measures for the protection of the landlord's interests.

In consequence of the fact that all farmers are not called upon to make a return of their profits for assessment to Income Tax under Schedule B, it is not possible to ascertain the actual profits derived from agriculture in this country. If the rent paid by a farmer does not exceed £480, he is not assessable to income tax; hence the very small amount of income tax derived from this industry under Schedule B. For the year ended the 5th April, 1913, the income tax received under this schedule was only £229,960, though, in some few cases, farmers have elected to be assessed under Schedule D. There is, nevertheless, abundant evidence that the lion's share of the profits goes into the pockets of the landowners. It may be safely stated that at least one-third of the total yield of agricultural land is received by the landlord; in many instances as much as one-half is paid over in this way. Furthermore, during unusually bad seasons, when the profits are meagre, or non-existent, the rent has to be met or serious consequences will surely follow. Some landowners are generous in their dealings with their tenantry, and often make substantial allowances from the rent in periods of bad harvests, but these instances are very rare; indeed, in the main

the burden of rent has to be met at every rent audit without deduction.

It cannot be denied that there was a fall in the amount of agricultural rents in the United Kingdom by an amount equal to 23·4 per cent. to the end of the year 1894. This diminution commenced with agricultural depression in the year 1879. On the other hand, it should be noted that agricultural rents had risen by 25 per cent. during the years 1850 and 1875. The present-day successors of landowners who lived in the middle of last century cannot, therefore, have suffered seriously; the heavy loss of income is falling on the successors of those who had the misfortune to buy landed property when rents were higher and prices relatively in advance of those ruling to-day.

The fact that many farms are over-rented was self-evident in 1896, when the Agricultural Rates (Relief) Act was passed. This Act was enacted for five years only, and has been renewed on three occasions under the Expiring Laws Continuance Act, twice by the present Liberal Government. The measure was passed to relieve agricultural depression in this country, and granted to farmers relief to the extent of one-half of the local rates, excepting sewers' rates. As we shall show, when we come to consider the question of rating of land, the funds provided by the Act were, virtually, doles to landowners. But the passing of the Act has special significance, because it showed most clearly that, having regard to the rents exacted by landlords, the farmers had comparatively little left for themselves as their share of the profits of their industry.

It would be idle to suggest that every farm in this country is over-rented. Such is not the case. There are several landowners who are content with the present return from their properties, and who do not place harsh restrictions on their tenants,

or demand excessive rents. The rents, in some instances, are relatively small. In the main, however, the farmers of this country are fully rented, and often they are rack-rented.

Reference has already been made, in this chapter, to the numerous restrictions in farming agreements. These conditions and reservations give no reasonable latitude to those who occupy the land. Farmers have been given certain limited statutory rights as regards the laying down of permanent pasture, the planting of fruit trees, and other acts of husbandry, but they are a long way from the freedom they ought to enjoy in the prosecution of their business.

Among the various improvements, for which tenants are entitled to claim compensation, under the Act of 1908 are the following, which appear in the First Schedule of the Act:—The erection or enlargement of buildings; the making and planting of osier beds; the laying down of permanent pasture; the making of water meadows or irrigation works; the making or improving of roads or bridges; the making or improving of ponds, wells, or reservoirs, or of works for the application of water, or for the supply of water for agricultural or domestic purposes; the making of gardens; the erection of fences; planting of hops; planting of orchard or fruit trees; the reclamation of waste land; the warping of land; and embankments and sluices against floods.

These improvements would appear to be complete and would seem to give the tenant all the security he needs. The right is, however, somewhat vitiated by the provisions of section 2 of the Act of 1908, which compel the tenant, previously to the execution of the works mentioned above, to obtain the landlord's consent in writing. Even if the landlord assents to the improvements, he

has the legal right, under this section, to impose whatever restrictions he pleases, and he may, as a matter of fact, fix the amount of compensation which the tenant would be entitled to receive for the expenditure of his capital.

The basis of compensation for all improvements is the "value" to an incoming tenant, which may be quite a different thing if the new occupier did not intend to employ the same methods of husbandry as his predecessor.

Farmers are now pressing, as they have a just right to do, for more open agreements, which will give them greater freedom in the use of land. They want more liberty of action, fuller security of tenure, and certainty of results.

The Agricultural Holdings Act, 1906, now incorporated in the Act of 1908, granted considerable freedom to the farmer in deciding the character of his method of cultivation as regards arable land. The farmer is likely to know best what are the capabilities of the soil which he is working, and it was necessary that he should not be unreasonably restricted in deciding what crops he should grow, except when he is under notice to quit. He knows that, in the absence of manuring to an exceptional extent, it is an unwise practice to raise some classes of crops on two successive occasions on arable land, and he is not likely to adopt wrong methods.

An example of what is done in the cultivation of the soil, when the occupier is not restricted by onerous and unreasonable conditions, is furnished in the case of Guernsey. In some parts of the island the land is exceptionally well tilled and put to the very best possible use. The farmers are in the happy position of being able to do exactly as they please in the cultivation of their land. So free are they from interference that they have

developed a system of culture which bears comparison with the methods in any other part of the world. The tenants are thrifty and industrious ; they adopt any method that is calculated to increase the fertility of the land and augment their profits. In some instances soils which by some farmers would be regarded as worthless for agricultural purposes, or at any rate hardly capable of providing a living, have been put to a valuable economic use.

The secret of the success of the Guernsey people is almost entirely due to their freedom in the management of their farms. In the island there exists a somewhat unusual form of land tenure, which has been found to work exceedingly well, both for landowners and tenants. A tenant may acquire a secure interest in his industry by taking the property under a system known as *rentes*. It practically amounts to a purchase of the property, without forcing the tenant to find the necessary cash. A purchase price is usually agreed upon, and the tenant has the option of converting the whole, or part, of the consideration money into *rentes*, payable on a fixed date in every year. Under this management the farmer practically becomes the freeholder, subject only to the annual payment of *rentes*. Neither he nor his heirs need be afraid of disturbance ; the land is held, to all intents and purposes, in fee simple for all time, and the occupier is always working with the knowledge that he will be able to take the whole profits of his industry and enterprise. As an investment the *rentes* of Guernsey are very popular and much appreciated by investors.

This Guernsey system has been referred to, not with the intention of recommending that the same form of land tenure should be adopted in England, but to demonstrate the fact that where restrictive

covenants are removed, and where farmers enjoy a substantial security of tenure, the productivity of the soil is increased and the conditions of agriculture are more prosperous. If the farming tenants of the whole country could work under a definite sense of freedom, agricultural land would yield more abundant harvests.

Inasmuch as the greater part of the land of this country is held by large estate owners, who maintain extensive tracts of property for residential purposes, it follows that the farming land immediately adjoining the mansion, and also sometimes for some considerable distance away, is kept under one form of cultivation. Generally speaking, the farmer has entered into restrictive covenants not to plough the land, or put it to any other use, beyond that decided upon by the landowner. The tenant has no discretion. Oftentimes he would put the land to other more remunerative purposes, if he were not tied hand and foot. There are numerous instances of this kind, and in all cases the ban of the owner acts as a hindrance to profitable development.

Indeed, the farmers of England, criticise them as we like, and suggest to them what we please, are so limited in their industry by the conditions of their tenancies that there is little incentive to farm well and make the most of their holdings. It is precisely in consequence of these restrictions that more progress has not been made in regard to scientific agriculture. What is the good of adopting newer methods if they cannot be adequately applied?

The risks of thorough cultivation are great, and much greater than is generally supposed by those who have had no direct experience in estate management. Many landowners have always an eye open to the possibility of exacting higher

rents. If they see their tenants are prospering, so much so that they are able to lay out more money in farm stock, it is at once obvious that they can pay a little more rent. As the tenant's holding and stock are always within the knowledge of the landlord or his agent, there is an absence of an incentive to farm in the most profitable way. This is not, of course, the case all over the country, but the practice is sufficiently extensive as to operate somewhat disastrously on the farming community. It is especially noticeable where the system of settled estates is prevalent, and where the old sympathetic relationship between landlord and tenant has disappeared.

It may be asked, if these are the conditions prevailing in this country in regard to agricultural tenancies, are landowners prudent? They are, undoubtedly, in many instances, not only imprudent, but improvident. So long as land is held up in large blocks, primarily for the purposes of retaining social influence and distinction, and not for the best development of agriculture, landowners can afford to be somewhat imprudent, as long as they preserve the amenities of their stately homes. So long as settled estates are permitted by the laws of this country cases of improvidence will appear on the part of tenants for life, who do not make adequate and reasonable provision for maintaining their properties in the highest state of efficiency.

Until landowners are more prudent, and until they are led to realise that their improvidence is disastrous to the nation, it will not be possible to encourage and adopt newer methods in the use of their land.

It is quite evident that these conditions must precede the initiation of scientific agriculture on

extensive lines in this country. Newer methods are needed. The agricultural industry will never really be prosperous until science is brought to its aid. To-day there is a lack of knowledge, on the part of farmers, in regard to chemistry and its application to fertilisers and agricultural products. The character of the different soils, their uses for different classes of plants, and the value of plant analyses are little understood by the great bulk of agriculturists. Little progress has been made along these lines in consequence of the discouraging restrictions in tenancy agreements.

Apart from these considerations, it is very desirable to erect newer buildings, designed to assist the economical management of farms. Most of the farm buildings in this country are out of date, and unsuitable for the successful prosecution of the agricultural industry. Many of the buildings should have been demolished long ago, and renewed by other erections of a modern type. Agriculture is a long way behind the times because the barns, cowhouses, stables and sheds are inadequate on most farms. Instances where the equipment of the farm buildings meet modern requirements are very rare. The tendency is to allow tenants to get along as best they can with the accommodation available. So great is the indifference of some landlords with reference to the needs of their tenantry that it acts as a discouragement of good and profitable husbandry. In numerous instances new buildings are refused unless the tenants are willing to agree to pay an increased rent amounting to at least 4 per cent. on the outlay. This is the attitude taken up by many landowners, on the ground that they are putting more capital into their landed properties. As a matter of fact, they are only desired to renew buildings that are worn out, and which should

have been allowed for annually by means of a renewal or sinking fund, if the property had been wisely and economically managed. It is unreasonable to expect farmers to pay interest on the cost of new erections, in the form of an increased rent, when the new buildings are really in substitution for buildings that have become useless. This tendency is a restriction that militates against good farming.

We have already dealt with the disinclination on the part of landlords to drain land, even when it would be profitable to do so, and it has been shown that in many instances landlords refuse to give their consent to drainage improvements being undertaken by their tenants. Farmers on some estates would lay out their own capital if they were definitely assured of security, and if they were reasonably safe in obtaining compensation for their expenditure. Under present conditions they are restricted in many ways.

It is a well-recognised axiom that where tenants are contented with the terms of their tenancy agreements, and where they are considerately treated by their landlords, cultivation is successful and profitable. Under these circumstances tenants are not afraid to make the best use of their land. They have a sense of certainty that they will receive generous treatment at the hands of the owners, and this gives them encouragement in the development of their business. On farms where these conditions prevail the soil is often found to be highly productive, offering a striking contrast to farms in the occupation of tenants who are unfairly treated. These facts show conclusively that where restrictions are non-existent, or at any rate of a moderate character, it is possible to get much more out of the land by cultivation.

Recently the Land Enquiry Committee submitted a number of questions to the Council of the Surveyors' Institution on the subject of the use of land. One of these was an inquiry as to whether there was any evidence that land occupied by owners themselves was better cultivated than land that was held under a renting agreement. In their reply the Council stated that "it is generally recognised that ownership provides a strong stimulus to good cultivation, and, other things being equal, a holding in the occupation of its owner is usually found to exhibit signs of a greater expenditure of personal care, labour, and capital, than one in the hands of a tenant."

It is impossible to devise satisfactory means whereby farmers with little capital could acquire, under easy conditions, the ownership of the land they occupy, even if it were desirable to do so; but the reply of the Council of the Surveyors' Institution demonstrates most clearly that the reason that land is badly cultivated is the fact that tenants are afraid to make the most of their holdings. This fear is attributable to the terms and conditions of their agreements.

In market garden tenancies there are also certain restrictions that check vigorous cultivation. It may be possible, under the Agricultural Holdings Act, 1908, section 42, to remove fruit trees and fruit bushes, but a market gardener is prohibited from removing fixtures or buildings erected on the ground by him to which the landowner has refused to give his consent in the first instance. Where such fixtures and buildings are needed for the purposes of trade, the dissent of the owner acts as a restraint on the tenant's industry, and makes him afraid of using his capital in the cultivation of his land, when it may be advantageous to do so.

If farmers and market gardeners were granted easy facilities for obtaining the intervention of some judicial authority, with a view to controlling unfair restrictions on their methods of cultivation, agriculture as well as the market garden industry would be stimulated. These facilities could be offered through the medium of a Land Court, which authority, in addition to fixing reasonable rents, might be empowered, at a nominal expense to both parties, to act as a court of arbitration on all matters in dispute between landlords and tenants, whether relating to claims for compensation or to the restrictions which owners desired to impose on their tenants. At present the costs of appointing a valuer in compensation claims sometimes fall heavily on farmers and market gardeners, while there are no means of adjusting the relations between both parties in the event of disagreement as regards the conditions of tenancy. A Land Court would remove these two objections, safeguard tenants, and afford greater encouragement to them in the cultivation of their land.

It may be asked, Would not the judicial fixing of rents tend to increase them? This would hardly be possible, because the greater part of agricultural land in this country is already bearing high rents, and in some districts farms are even rack-rented. A Land Court would adjust the difficulties at present existing in regard to properties that are fully rented, and, where great injustice is being experienced, the Court would be able to make the conditions of tenure more easy for the occupiers of the soil. It is quite clear that no increases would be made by a judicial rent court with the knowledge of the small percentage of profits received by farmers. On the other hand, the suggested authority would act as a

safeguard against unreasonable increases of rent by landowners in the future. In this way intensive culture would be inspired, with a feeling of certainty that tenants would not only enjoy security of expended capital, but also that they would reap all the benefits of the results that would flow from such expenditure. In the absence of some authority to control the relations between tenants and unreasonable landlords continuous good farming will not be possible in this country. The difficulties that arose in Ireland some years ago were almost entirely due to the gradually rising rents as tenants improved their holdings. Our experience across the St. George's Channel should lead the statesmen of our time to pass legislation which will safeguard agriculturists from the restrictions and unfair conditions under which they work to-day.

CHAPTER XII

THE BITTER CRY OF THE TOWN TENANT

THE restrictions on agriculture in this country are bad enough, but they fade into insignificance when compared with the difficulties of town tenants. Farmers, unlike tradespeople, do not suffer to the same extent by the loss of goodwill in the event of disturbance. It is possible to change farms and not experience a serious loss of customers. This is not the case with traders, whose businesses would be ruined if they were to move from one shopping centre to another.

This fact is often taken advantage of by landlords, who, in some towns and cities, make a practice of letting shops on short leases, so as to enable them to increase the rentals as the thoroughfares become more valuable for trading purposes. In some parts of the country it is impossible to secure premises for any reasonable length of time, and this is undoubtedly a great injustice to town traders.

Leases of town properties are also often more stringent than the tenancy agreements relating to agricultural land. In the busy centres of industry, where there is considerable demand for trading premises, landlords are in a position of great power, and able to impose very heavy responsibilities on the tenants. A town lessee is often compelled, under a repairing lease, to shoulder the whole burden of Local and Imperial taxation, with the single exception of the landlord's property tax, and he is, at the same time,

liable to carry out the whole of the repairs from year to year. The yearly outgo in rent, rates, taxes, and repairs frequently amounts to a considerable figure, and these expenses have to be met before any profits are available for the tradesman.

A town tenant is usually called upon to fulfil the following conditions:—(1) To repair and yield up the premises in good condition on the expiration of the lease; (2) to insure property against loss by fire in the name of the landlord and pay the premium; (3) to pay cost of road repairs until streets are taken over by local authorities; (4) to maintain party walls; (5) not to alter plan or elevation of building without consent; (6) to paint inside and outside once in a stipulated number of years; (7) to cleanse drains; (8) not to erect new buildings until plans have been approved by landlord; (9) not to sublet or assign without consent of the owner; (10) to permit landlord or his agent to enter the premises to view state of repair; (11) to make good repairs within six months on receiving notice to this effect; and other obligations of a like nature.

Nearly every trader in towns is hedged about with severe limitations. The more valuable the property for the purposes of shopping, the more stringent are the terms of the leases. Furthermore, in cases where the tenants are the assignees under long leases, they are obliged to fall in with the conditions that have been running for many years. The present ground landlords often decline to assent to alterations and additions that would add to the value of the property, and, even when an inclination is shown to fall in with the wishes of the tenant, they generally give their consent subject to the payment of the costs of the landlord's solicitor and surveyor.

The most serious feature in regard to occupation of trading premises is the fear of heavy loss on the expiration of the lease. This hangs over the tenant like the sword of Damocles. In the case of a tradesman who has built up a successful business and gathered around him a good *clientèle*, it is a matter of grave moment. The seriousness of the position is well known to the landlord, and he frequently takes advantage of the delicate position in which his lessee is placed. The renewal of the lease may be agreed to, but this is only done in consideration of a much higher rent. Often the tenant is obliged to fall in with the conditions imposed by his lessor ; if he declines to do so his losses, consequent upon removal, may be much heavier, and his business may be ruined. It is this dread of disturbance that compels a man to continue his lease, even when the restrictions imposed by the landlord are unreasonable ; it is better to bear an increased rent than to run the risk of ruin.

Under conditions like those that have been mentioned the trading community has no sense of certainty in the development of business enterprise. Especially is this the result in the larger towns and cities, where short leases of shops and business houses are more general than was the practice a few years ago. By arranging for frequent renewals, it is possible to become possessed of the annual value of the property, due to the energy of the tenant and the presence of a large population. Under the long-lease system of the latter part of the nineteenth century the increase in value was enjoyed for a reasonable time by lessees—the inevitable increase in rent was warded off for some years, at any rate. Landlords, who reap the fruits of industry and commercial enterprise whenever the opportunity arises, are not now

content to be precluded from sharing the increment that they have done little or nothing to create. The shorter the term of the lease, the earlier will the owner of the ground be able to seize the increased revenue.

It is not surprising that these facts offer very little inducement to some traders to expand their businesses in the best possible way. Where development does take place, it is with the knowledge that the ground landlord will ultimately step in to share the profits, but, in the majority of cases, the conditions of tenancy in respect of town property act as a check on the best economic use of the land. In the last three or four years of the term the lessees generally refrain from active and profitable development. They will even defer the execution of ordinary repairs until the end of the lease. It is true that the lessor, in most cases, has certain powers of viewing the state of repair and calling upon the tenants to fulfil their obligations within a specified period. Many landlords, however, when the expiration of a lease is approaching, do not insist on the tenant's covenants being observed until the property is actually about to revert to the owner. When this event takes place the lessee is met with a schedule of dilapidations, and is called upon to pay the cost of putting the buildings in order. Lessees prefer to face a claim for dilapidations rather than to expend their capital during the last few years of their tenancy.

Hence, for some years prior to the expiration of leases, the property appears to be neglected, and it is not utilised to the best advantage. Instances occur in nearly every town. Trading premises have been allowed to fall into a state of disrepair, so that they offer a striking contrast to other buildings abutting on the same street line. These

cases are indicative of the diminished enterprise on the part of tenants when their leases are rapidly falling into the hands of the landlord.

In the case of even shorter tenancies the heavy restrictions on industry are most burdensome. It is in instances of this kind that the tenant has a right to appeal to Parliament to pass laws that will operate more in the interests of the tenants than they do at the present time. In Leeds, Hull, Bradford, and many other northern towns it is the general custom to grant leases of shops for five years only; indeed, many large traders have to carry on their businesses under an annual agreement. The raising of rents is frequently and systematically resorted to. No sooner is a valuable goodwill created than the landlord takes the earliest opportunity of advancing the rent. In many cases tenants have expended their own capital in carrying out certain improvements of a structural character, in the hope that they would not be disturbed. Their foresight often leads to their being penalised when the tenancy agreement comes up for renewal. The injustice has become so pronounced that the Chambers of Trade have appealed to the Government to deal with the difficulties of traders by legislation. It has been urged that tenants should be assured of a continuity of tenure under fair conditions, with safeguards against restrictive covenants of an unreasonable character. Traders also claim to be compensated by owners in the event of disturbance, and demand reimbursement for permanent improvements carried out by them which have increased the rental value of the property. What is true of Leeds, Hull, and Bradford is true of most towns in the United Kingdom.

One restriction, which above all others is exorbitant, is the imposition of renewal fines in

the event of the landlord agreeing to renew a lease. It has been often asked, Are renewal fines justifiable? There is no difficulty in proving the negative. Renewal fines cannot be justified from the standpoint of economics.

When it is remembered that a renewal fine is levied on a tenant because he finds it necessary to continue his lease, and not because of any improvement to the property by the landlord, it must be obvious that the fine represents a value created either by the occupier himself or the community at large. The contention that the fine represents a value that the landlord has been expecting to receive after the effluxion of years can hardly be tenable in reasonable argument. When the property was originally let it was obvious that the owner agreed to take the full rental value of the property. It is clear that lessors, in the majority of cases, would not have tied themselves up for a number of years at a rent that was below the true value. What has the owner done in the meantime to increase the value of the land? With the exception of the development of adjoining land, it may truly be said that landlords have been idle spectators. If there is an increased value at all, it is due to the enterprise of the tenant and the presence of a large population. The occupier, who has assisted in the creation of wealth, has no share in the value after the expiration of his lease; the landlord, who has done practically nothing, takes the whole of the socially-created wealth of the community arising from the use of land.

The only reasonable ground for demanding a renewal fine from a tenant would be in respect of a property where the landlord was willing to accept a corresponding reduction in the existing rent. Instances of this kind are, however, rarely

met with in the management of town properties. In nearly every lease a renewal fine is accompanied by a substantial increase in rent.

It is not many years since a well-known and enterprising tradesman in the West End of London was under the necessity of approaching the Duke of Westminster for the purpose of securing a renewal of his lease. After many years a valuable business had been built up. A *clientèle* had been secured which would have been practically lost by removal to other premises. It is, indeed, questionable whether suitable property could have been found in the immediate neighbourhood. The goodwill of the business was valuable in consequence of the particular position occupied by the tradesman referred to. These facts were in the knowledge of the Duke of Westminster and placed him in a powerful position. The owner was, to all intents and purposes, a dictator. He could make his own terms and lay down whatever restrictions he pleased. The original rent was £400 per annum. The lease was renewed for a further term of years at a rental of £4,000 per annum, representing an increase of 900 per cent. on the previous rent, and this additional rent was accompanied by a renewal fine of £50,000. But this was not all. The ground landlord imposed a condition on the tenant to the effect that he should lay out a further £50,000 in new buildings. These buildings will become the absolute property of the Duke of Westminster at the end of the lease. This is, perhaps, the most glaring instance of the injustice of our land system in regard to town properties, and reveals the serious restrictions under which town traders have to labour.

The burden on the town tenant is sufficiently heavy, but it is necessary to consider how renewal

finer and increases in rent affect the community. It cannot reasonably be expected that the oppressed tenants of shops will refrain from transferring some portion of their burdens on to the shoulders of the people at large. Indeed, it is possible that the whole burden of rent and renewal fines falls ultimately on the public. It is obvious that if a tenant is called upon to pay an increased rent he will find it necessary to shift the cost on to the people who patronise him. Otherwise the volume of the tradesman's profits would be diminished. This is clearly the case with heavily-rented shop premises. But when a lessee is compelled to pay a fine amounting to the enormous sum of £50,000, the necessity of recovering some portion of it from the community is all the greater. In the instance just mentioned, the annual cost in interest alone on the fine and capital outlay in improvements is at least £4,000. How is this burden to be met, and how may the tradesman recoup himself, by means of a sinking fund, for his heavy expenditure before the expiration of his new lease? It can only be done by distributing the responsibility among his numerous customers. There is no doubt that the flagitious injustice of land tenure in towns compels traders to make correspondingly higher charges for the goods they sell than would be the case if the landlords were unable to burden their tenants with unreasonable terms and unfair restrictions. It is true that the burden in the first instance falls on the tenant; in the long run, however, it is almost certain to be borne by the community at large.

It should be pointed out that the injustice of renewal fines is all the more unjust when it is remembered that they are not subject to assessment for the purpose of income tax. In the same way they escape rating for local expenditure.

Receipts of this kind are regarded as capitalised rent, and go straight into the pockets of the landowners without contributing a single penny to Imperial and local expenses. It may be suggested that the investment of the moneys received by way of renewal fines will ultimately be subjected to taxation on the annual dividends, but this ought not to exonerate the landowner from immediate liability to income tax on fines. Renewal fines are generally regarded as additions to annual income, and frequently used in meeting personal needs. Only in very rare cases are the funds invested, and then only where the annual income is abnormally large. The increment duty and the reversion duty under the Finance Act of 1909-10 are insufficient to meet the reasonable claims of the community in respect of taxation on large incomes from land.

Renewal fines, are, however, undesirable, and they should be prohibited by law. They are not appreciated by town tenants. Indeed, the occupiers of all classes of property would prefer to pay a correspondingly higher rent, if they were permitted to do so. The present system of fines often absorbs a large portion of the tenant's capital, and leaves him less money to use in the development of his business. In many instances tenants have had to resort to the unsatisfactory method of borrowing money to meet the demands of their landlords. These loans act as a check on individual enterprise, and many a tradesman has been quickly brought to ruin in consequence of an indebtedness which it has been necessary to redeem at an inconvenient moment.

It is now many years since a Select Committee reported on the conditions prevailing with reference to town tenancies. In the year 1889 it was stated,

in the Report of the Select Committee on Town Holdings, that

“ as a rule any improvements which have been made by the tenant are regarded as the rightful property of the landlord on the determination of the lease, and in such cases rents are commonly raised in consequence of such improvements to the extent of either part or the whole of the increased value they may have given to the premises.”

The Committee also stated, in the same Report, that it could not be doubted

“ that cases of hardship do occur in connection with the goodwill, and that the landlords sometimes take an undue advantage of their tenants' position in such cases ; it is clear that when the renewal of a lease of business premises is under discussion, the fact of the tenant having created a valuable goodwill gives the landlord considerable power to settle the terms of such renewal in his own favour.”¹

The uncertainty of obtaining an extension of leasehold premises, whether for trade or residential purposes, is a most undesirable feature of our land system in towns. No justice will be assured to town tenants until they have a positive right to a renewal of their leases, in the event of the landowners not requiring the premises for their own use. But where a landowner intends to re-let the premises as they stand, or where they have been improved, the holders of the expiring leases should have the option of taking new leases on terms and conditions which should be judicially fixed by Land Courts, in the event of disagreement between the parties. Where the landlord has not contributed substantially to the development of the property, it would not be unreasonable to grant renewals at the same rent as under the existing leases. Especially would this be the case where the economic value of the premises was due, in the

¹ Report of Select Committee on Town Holdings, 1889, pp. 11, 12.

main, to the industry of the tenant. No reform of our unfair land system will be sufficiently effective and equitable if it does not give to leaseholders a definite security of tenure. The law should safeguard tenants from the necessity of handing over buildings erected by them when their leases expire by effluxion of time.

Every lessee should be granted by law the undeniable right to renew his lease on terms reasonable to both landlord and tenant. It should be competent for a Land Court to have discretionary powers in deciding the terms of the tenancy, in the event of dispute arising between the two parties, and also in deciding whether the tenant is reasonably capable of making the best use of the property. It is only by means of a judicial authority of this description that the landlord's interest can be best served, and the tenant, at the same time, protected from onerous restrictions. In cases where tenants desire to rebuild the premises they should be enabled to do so, whether the owners of the ground consent or not, if it can be shown to the Land Court that the improvements are necessary and desirable, and can be carried out without injury to the lessors.

If the landlord refuses to make the improvements himself, and they are ultimately carried out by the lessee, the latter should be entitled to claim compensation for the "unexhausted" value of such improvements, if his lease is not renewed at the end of the term. Then, in the event of certain extensions being urgently necessary and the tenant being unable to carry them out himself, it should be possible for the lessee, subject to the intervention of the Land Court, to call on the landlord to do the work, the lessee agreeing to pay an increased rent.

Under these circumstances the tenants of urban properties would have a beneficial interest in their own capital expenditure, and in the extension of their businesses. They would be free from the restrictions of the landlord, and reasonably safe in the rightful use of the property.

CHAPTER XIII

WHO RECEIVES THE ECONOMIC VALUE ?

It has been stated, in the two preceding chapters, that the conditions of land tenure in this country render it possible for the owners of the land to gradually raise the rents. This is true of agricultural land, but it is more noticeable, perhaps, in urban areas, where increases in rent are greater than is the case in rural districts. As the land becomes more profitable in the raising of crops, or more valuable in consequence of the development of towns and cities, the economic value of the land goes into the pockets of landowners. The public has been a long time in realising the position with reference to the use of land ; indeed, it is questionable whether the iniquity is even now sufficiently estimated.

There are, it is true, instances where generous landlords have not been known to increase the rents of their farming tenants to an unreasonable extent, but these cases are comparatively rare. They are the exceptions, rather than evidences of the rule, in regard to the occupation of the soil.

The attitude of landowners to their tenantry is not always maintained from one generation to another. A friendly and sympathetic recognition of the rights of tenants may exist to-day, but, in the event of a change of ownership, it may be gone to-morrow. The disposition to increase rents often arises from the caprice of the successor. This is often the result in the case of settled estates, when the next tenant for life takes a

different view of the duties of land ownership. In examples of this kind the tendency is to make the estates yield a higher rental than formerly. A systematic revision of agreements is resorted to. Where tenants have farmed well, under the previous good landlord, they soon find they are penalised for their industry. The economic value of their thorough cultivation begins to flow into the banking account of the new owner.

This is often the case when estates have been acquired by wealthy capitalists. Under the old *régime* the tenants were contented and their rents were not excessive; but the introduction of a new type of owner leads to a revision of tenancy agreements. This revision almost invariably results in an increase in rents; the new terms are based on the annual value of the land, regardless of the fact that its high state of productivity is chiefly due to the energy of the tenant.

Any land agent or surveyor, who has been concerned in the direct management of landed property for a number of years, cannot fail to have met with many cases of real hardship. It is quite a common experience to find that the economic value of a tenant's labour is not enjoyed to the full by the occupier of the soil; the wealth created is ultimately received by the landlord. This fact has, more than anything else, brought agriculture to its present unfortunate position.

It would be interesting, perhaps, to give two instances from the writer's own experience during the time he was engaged in the management of estates belonging to a certain well-known duke in the North of England. On one of these estates there is a farmer who is a descendant of the original tenant. About a century ago a young girl was banished from the neighbouring county to the wilds of the moors. The incident arose out of

certain trouble in the ducal family. The woman was settled on the moorland property of the duke, and housed in a humble building which served as a dwelling. At the time the land could not have been worth more than one to two shillings an acre per annum. As a result of the industry of the woman and her descendants the land has been gradually broken up and devoted to the purposes of agriculture. To-day the land is in a high state of cultivation, and it is maintained by the present tenant in good heart and condition.

Now it would be reasonable to suppose that the present-day descendant of the first tenant would be entitled to enjoy some of the fruits of the industry of his predecessors. But what is the position? The existing tenant is now paying the full rental value of the land. He is not profiting in the least by the energy of the previous occupiers. On the contrary, the economic value of the improvements is being received annually by the present duke in the form of increased rent.

A visit to the neighbourhood in question would convince the most conservative economist of the injustice of the present land system. He would realise, by personal observation, the difficulties that must have been experienced in converting moorland into rich dairy property. In close proximity to this farm there are many acres of moorland belonging to the same landowner. Here and there an observer would see fields which have been rescued from their original wild state, fenced in at the tenant's expense, and subjected to thorough and systematic cultivation. At certain seasons of the year the hillsides present the appearance of a patch-work quilt, so conspicuously do the cultivated acres stand out against the rough unused land of the moor. It has required many years of hard, unremitting toil to remove the

boulders and the coarse growth of moor grass and heather. In some parts drain tiles have been laid in. Years have passed by before the land was sweet and clean. It has required patience and continuous labour to bring the land into a state suitable for farming purposes. When the favourable opportunity arrived for realising the best fruits of industry—the landlord stepped in. A revaluation of the rent followed, and the economic value created by the tenant was almost entirely seized by the landowner.

The farming land which has been referred to is now some of the best agricultural land in the North of England. There would be no difficulty in finding a tenant, if the property became vacant. The farm yields to the owner an average of about 32s. 6d. an acre in rent. The buildings are in a high state of repair, and have hitherto been chiefly maintained by the tenants. Very little money has been expended by the owner.

Notwithstanding these facts, nearly every change in the family ownership has brought an increase in rent. The estates are held under settlement, and on the succession of each tenant for life the rentals have been readjusted, always in the interests of the landowner, and never in the interests of the tenant. It is needless to add that the knowledge of this unjust treatment is keenly felt by the existing tenant, who finds it increasingly difficult to make ends meet in the prosecution of his business.

The second instance, on the estates of the same nobleman, is of a similar character. Some years ago the writer was out on the estate inspecting farms and other tenancies. During the examination of one farm the tenant pointed to a narrow strip of land, abutting on an occupation road, and with pardonable pride referred to this land

as his property. The ground in question measured, approximately, three-quarters of an acre. It had been fenced in by a good rubble-stone fence, and cultivated to a higher state of efficiency than some of the land held by the farmer under his agreement. When the writer inquired how the tenant came into possession of the property the latter replied, "I inclosed it!" A reference to an old estate plan revealed the fact that the strip of land was originally a piece of waste ground on the roadside. It was with amazement that the farmer realised that all his labour had been in vain. For years he had been cultivating the inclosed land in the belief that he had as much power to inclose land as a landowner. In the end he found that his industry had added to the wealth of his landlord. The tenant was never compensated. The small field was finally added to the farm, and a rent will, on a change of tenancy, be demanded in accordance with the annual value of the land created by the energy of the existing tenant.

Precisely the same results are experienced in towns, although in a much more aggravated form. Tenants have been known to improve their premises, only to find that, in the course of years, they are called upon to pay more rent. Especially is this the case with tradesmen. Many traders under short leases have taken out old shop-fronts and put in new ones and found when a renewal is asked for that the new rent is based on the value of the premises as they stand. Here, again, the economic value is ultimately received by the owner. It may be contended that traders have been willing to carry out improvements of this kind and write off a portion of their capital outlay each year out of their profits. This is undoubtedly the case, but instances of this description only serve to show that the value of improvements

created by tenants pass, eventually, into the possession of the landowner.

In towns, however, increases in rent and land values are due mainly to the community. The more rapid the development of an urban area, the more rapidly do the rents increase. If sewage disposal works, gas works, electricity plants, tramways, and other works of public utility are constructed out of public funds, the rental values increase. The economic value may not be created by the landowner, but our existing system renders it possible for him to garner in the fruits. It may safely be stated that the burden is chiefly borne by the occupiers of the land in the shape of additional rent. The more enterprising the local authority, the more valuable will the urban land become, the more burdensome will be the rent.

There is not a town or city in the United Kingdom where any progress is being made in sanitation, or in the construction of undertakings in the public interest, that is not feeling the injustice of our present land system. Indeed, the difficulties are so aggravated in some districts that there is a definite check on municipal enterprise and development. If the land were wisely and effectively controlled, and if the economic value of public improvements were enjoyed by the community alone, useful works of all kinds would be stimulated. It is unnecessary to choose particular towns as illustrations of the injustice of the present system. They are well known to all who take an interest in matters relating to local government.

In order to convince the most sceptical, however, it would perhaps be well to take one instance—Bootle. Only forty years ago the land on which the town of Bootle stands was practically useless. It was a mere sandy waste on the seashore near

to the Port of Liverpool. As soon as Liverpool decided to extend the docks the value of this sandy waste began to rise at an enormous rate. Had it not been necessary to extend in the direction of Bootle, the land might have remained useless for generations. The expenditure of public and private funds in the construction of docks resulted in lining the pockets of the owner with gold. Indeed, before ever the docks were commenced, the lord of the manor, the late Earl of Derby, demanded heavy compensation for the compulsory sale of land for the purposes of the extension. It is believed that the sum paid by the Liverpool authorities was about £200,000. This value would probably never have existed if the docks had not been decided upon. It is certain that the Earl of Derby did nothing to create the value, and he was not entitled to receive heavy compensation for the sale of the land. Little more than a hundred years ago the whole estate was acquired for the insignificant sum of £12,000.

But this is not the only way in which the landowner benefited by the expenditure of public money. Not content with the sum of £200,000 for the sale of a very small portion of the estate, the Earl of Derby made an enormous fortune by leasing the remainder of his land on favourable terms. The construction of docks brought a demand for land for various purposes. Houses were required. Gas and electricity works were needed. An immense population was soon located on the property. The result is that the ground landlord is now receiving a rental of over £100,000 a year. Practically the whole of this value is due to the community; none of it has been created by the owner. In this way the tenants of Bootle are paying heavy rents, under leases drawn in

favour of the Earl of Derby; and so will the community have to continue until the interests of the owner are acquired. This can only be done at an exorbitant figure.

It will, however, probably be impossible to buy out the interest of Lord Derby in the town of Bootle. He will prefer to hold his leases, because he is assured of still further increases in his annual income. The whole town is let under leases of short duration. When these leases fall in, as they are certain to do within a comparatively brief period, the Earl of Derby will be rich beyond the dreams of avarice. Every building will become the property of the ground landlord. All the money invested by the corporation in land and buildings for the purposes of gas and electricity works will fall into the estate of Lord Derby. Some of the fixed plant of the public undertakings will become his absolutely. The public sewers, the tramway routes, and all the municipal buildings will pass from the people's control. The whole of this valuable property, with its vast economic rental value, will become part and parcel of the private estate of a single individual.

This instance is, in some respects, typical of many others in this country where the economic value, created by tenants and by municipal enterprise, is ultimately received by the possessor of the soil.

CHAPTER XIV

THE LEASEHOLD SYSTEM

THE time has now arrived when the leasehold system of this country should be dealt with by Parliament. The law relating to leasehold property cannot be allowed to remain in its present state. It is in the interests of lessees generally, as well as the nation as a whole, that the practice should be under more effective control. This form of letting may have its advantages—indeed, it could not easily be abolished, as some suppose; but leases of all kinds should be so regulated by statute law that the rights of the people are adequately protected.

Ground leases are not common in some parts of the country. Where land is offered for sale at a reasonable price a builder prefers to buy the owner's interest outright, in order to be as free as possible in the development of the property. It is only in urban districts where the population is large, and where the prospects of rapid increases in land value are so certain, that the terms for acquiring the freehold are somewhat prohibitive from the standpoint of the builder. Under these circumstances, he prefers not to sink his capital in the purchase of the fee simple, and, therefore, he acquires an interest in the land under a ground lease. These leases, it has already been pointed out, are frequently of a restrictive character.

Putting on one side, for a moment, the merits or demerits of the leasehold system, it cannot be denied that the practice of leasing land has

materially assisted the extension of urban housing. On the outskirts of many towns and cities new houses would not be available for the extending population, if it had not been possible to acquire land on the terms of a ground rent instead of buying the property outright. Progress has been rapid in this direction because many builders could be found to erect new dwellings under a ground lease who would, otherwise, not have been disposed to develop building land.

It was found by a Select Committee which reported on the 12th July, 1889, that

“houses are built and building estates are developed more rapidly on the leasehold system than on that of freehold purchase, and that, in consequence of the larger supply of houses thus caused, occupiers obtain the benefit of lower rents and greater opportunities of selection.”¹

There are certain other advantages in connection with the leasehold system which are sometimes lost sight of. It is possible to lay out large areas of land, in one block, upon a definite plan, which is not the case when several smaller areas are developed by different individuals. Under a large scheme the streets are arranged to suit the general convenience of the whole of the future residents. The irregularity of many public thoroughfares is due to the absence of any definite scheme as a result of the presence of many builders or separate owners. It is true that local authorities have powers to approve, or disapprove, of schemes for laying down streets, but, notwithstanding, many difficulties arise in consequence of the cupidity of land speculators. Under the Housing and Town Planning Act, 1909, the powers of local authorities have, however, been extended in matters relating to town development.

¹ Select Committee's Report, p. 251, 1889.

Under the system of leases it is also possible to sewer, kerb, and construct roads at a cheaper rate, and much more satisfactorily than would be the case if the works were undertaken by several owners acting independently of each other.

Certain squares in some of the best residential districts of London are sometimes pointed to as instances of the advantages of the leasehold system. The houses have been erected with elevations according to a certain plan which has been approved by the ground landlord. The property is maintained in this uniform state. All the leases are under the same restrictions in regard to the occupation of the property. The square garden is controlled by a committee of residents, and each occupier of the square contributes his quota of the cost of maintenance. The outside painting of wood and iron work, as well as the restoration of the stucco work, is done at one and the same time. This arrangement has the advantage of keeping the whole of the houses in one uniform state of repair, and offers a striking contrast to other property where buildings are not controlled in accordance with some definite plan.

The advantages of the leasehold system, good though they may be, are, however, outweighed by the disadvantages of the practice under the existing law. As long as the ground landlord is allowed to exist, so long will the tenants have to labour under conditions that are unjust and inequitable. All increases in value, whether due to the enterprise of the landlord or not, will be enjoyed by him and become his absolute property in the eyes of the law. The system, if uncontrolled by statute, will render it possible for the owners to impose restrictions which will be calculated to prevent the best economic use of the land. When the expiration of the lease approaches, the tenant

becomes increasingly anxious as to his position and future prospects. The lapse of a few years may so operate as to turn the whole economic value of his leasehold estate, inclusive of buildings erected by him, or bought from his predecessor, into the unrestricted possession of the owner of the ground, subject only to increment duty. The latter, henceforth, will enjoy the possession of wealth which he has not created. He will be able to pass on this unearned increment from one generation to another.

It is possible by statutory means to remove the present injustice. This can be done without inflicting serious hardship on ground landlords. The question has become so urgent that the State should deal with the question at once in a practical way. In this connection a bold policy is needed. No other measures will succeed in dealing effectively with the situation in regard to the leasehold system.

In formulating legislation it will be necessary, however, to give consideration to existing contracts. Many leasehold interests have been acquired in the belief that the present owners would become possessed of a valuable reversion after a limited number of years. Large sums have been paid by investors with the knowledge that the full annual value of the property was only deferred for a short period. Those land reformers who advocate wholesale and immediate leasehold enfranchisement overlook this important feature of the question. No Government would be acting wisely if it did not respect contracts which have been entered into in good faith that they would be recognised by the State.

A reform of the leasehold system cannot be brought about hurriedly. It must be done gradually. The first step to be taken by the Government should be to lay down the rule that

in the case of all future contracts, not renewals of existing leases, the tenants should have the right to renew their leases without unreasonable increases in rent, the terms of new agreements, in the event of disagreement, to be within the jurisdiction of Land Courts. This judicial authority should be empowered to protect the rights of lessees, and also to safeguard them against unfair restrictions in the use of their property. Renewal fines should be dispensed with altogether.

In regard to existing leases, it should be enacted that, after the expiration of a specified number of years, the same statutory provisions, applicable to entirely new contracts, should apply with equal force to renewals. If the deferred interest in a leasehold property is practically valueless, after a limited period, no serious injustice would be meted out to ground landlords, if they were precluded from making unreasonable increases in rent, when the leases come up for renewal.

No solution of the leasehold question would be complete if it did not give greater freedom to lessees regarding repairs and improvements to existing buildings. At present tenants are compelled to receive the assent of the ground landlord before alterations or additions can be effected. More frequently than otherwise this assent is withheld. Often it is refused on the initiative of the owner's surveyor, who endeavours to impose limitations which are unreasonable, and who gives the owner's assent, subject to the payment of his fees. These fees are sometimes exorbitant. Some few years ago the writer was concerned in an application to a certain ground landlord for his approval of certain external alterations, which would have added to the improvement and convenience of a large town house in London. The matter was referred to the owner's surveyor,

who refused to agree to the works, without even taking the trouble to inspect the property, and ascertain the full details of the proposed improvements. Restrictions of this nature should come within the scope of a Land Court, on the application of either party.

It should also be made possible to vary the provisions and covenants in leases, where they are no longer applicable. Many large estates have been laid out under a general building scheme, with restrictive covenants which are no longer necessary or desirable. It would be to the advantage of the tenant, and often in the direct interest of the ground landlord, if these restrictions were removed, or, at any rate, modified in accordance with modern requirements. The procedure of securing the removal of unnecessary restrictions before a judicial court should be made as expeditious and as inexpensive as possible. No authority would be more competent to deal satisfactorily with matters of this character than a Land Court controlled by the State. This authority would ensure justice to all parties interested in landed property.

A very undesirable practice has sprung up in London in regard to legal and surveyor's costs in connection with the preparation of leases. The same practice exists in many other parts of the country. Under this system a lessee finds that he is not only obliged to pay the costs of his own solicitor, in connection with the perusal of the draft lease, and possibly the expense of engaging a surveyor, but he is also mulcted in the costs incurred by his landlord. Indeed, the actual lease is withheld by the lessor's solicitor, until the charges are paid by the incoming tenant. In this manner a landlord is in a position to throw his own personal liabilities on to the shoulders of the lessee. In a

case which came before the notice of the writer recently a tenant, under a short lease, was presented with a bill amounting to over £30 for legal and surveying charges, although the rent only amounted to about £70 per annum. This practice is, it is true, governed by a certain scale of charges, but the system should be declared illegal.

Furthermore, so long as the private ownership of land is allowed by the State, a lessee, whether of trading or residential property, after the expiration of a limited period, should have the right to purchase the interest of the ground landlord at any time within five years from the termination of the lease, the purchase money to be based on a capitalisation of the ground rent, subject to the compulsory decision of a Land Court in the event of disagreement. These facilities for the acquisition of the landowner's interest in leasehold properties should be made applicable to public authorities and institutions, who occupy land, as well as individuals. .

PART IV
LIFE INTERESTS

“Is the system good? Extend it. Is it bad? Abolish it. But in the name of common sense do not leave it as it is.”—LORD MACAULAY, in 1833.

CHAPTER XV

ESTATES UNDER SETTLEMENT ACTS

THERE is some doubt as to the precise date when the modern method of settlement of landed property came into existence. It is possible that the practice began to be generally resorted to about the middle of the seventeenth century. After the close of the Civil Wars land was granted to trustees with the direct intention of making provision for contingent remainders. The primary object was, perhaps, the preservation of real estate from forfeiture for treason during the Commonwealth.¹

The system of Settlement has grown very rapidly in this country. It was extensively resorted to in the nineteenth century. Many Acts of Parliament have been passed which deal specially with settled estates.

In the year 1879 it was estimated that about two-thirds of the land in England was held in strict settlement. In some instances it was found that single estates were vested in forty to fifty different persons. There is good ground for believing that little change has taken place during the last thirty years, notwithstanding recent legislation. Settled estates are being continued from one generation to another. The social advantages of land ownership encourage the retention of the system, regardless of the fact that it militates against the best economic use of land.

For the purposes of the Settled Land Acts, a

¹ Papers of the Juridical Society : Joshua Williams.

tenant for life is defined as "the person who is for the time being under a settlement beneficially entitled to possession of settled land for his life." Instances occur where there are two or more persons interested in the profits of settled property. In these cases they are regarded as tenants in common or joint tenants, but taken together they are considered as the tenant for life. A settlement is an instrument under which any estate or interest in land stands, for the time being, limited to or in trust for any persons by way of succession.

By the provisions of the Settled Land Act of 1882, tenants for life are now permitted by law to sell or lease their estates, either wholly or in part, and the power under the Act extends to the granting of any easement, right, or privilege of any kind. The sale may take place privately or by public auction, and the tenant for life may make whatever conditions he pleases relative to the conditions of title. He may also make such reservations regarding the user of the land or the working of existing mines and minerals. The powers of the trustees of settled land are very limited. Except in the case where it is proposed to sell the principal mansion-house, with pleasure grounds, park and lands appurtenant thereto, exceeding twenty-five acres in extent, the consent of the trustees is unnecessary. If, however, they consider the proposed sale to be improvident, they may obtain the opinion of the court thereon. The trustees are not always parties to the actual sale; their duties are limited to the receipt of a notice from the tenant for life intimating his intention to sell. On completion of the sale the trustees are authorised to give a receipt for the amount of the purchase-money. In other respects the tenant for life has the powers generally possessed by the owner of a fee simple. He may

execute a conveyance of the land, but such deed may be subject to rights, privileges, or limitations previously created by the tenant for life, or any of his predecessors in title.

The disadvantages of settled estates were recently illustrated in the case of the Marquis of Lincolnshire. This landowner has always taken a keen interest in all matters relating to land, especially from the standpoint of the people. Lord Lincolnshire desired to assist the borough of Spalding in solving the difficulties of the town in regard to a housing scheme. The corporation had submitted a proposal to the Local Government Board with reference to land let in allotments, which the corporation desired to utilise in connection with their housing scheme. It was found that the Local Government Board was unwilling to give consent to the proposal. Lord Lincolnshire would have readily agreed to present the urban council with the land required, but in consequence of his position as a tenant for life he was precluded from doing so. His lordship, however, with his generous disposition to meet the requirements of Spalding, wrote to the urban council, offering to avail himself of the provisions of the Housing of the Working Classes Act of 1890, which permitted the trustees of settled lands to sell ground for dwellings at a price which might be less than the market value if sold for any other purpose. Lord Lincolnshire, it is stated, was very pleased to avail himself of these provisions, and eventually offered the land required for the purpose of erecting cottages at a price equal to one-half the market value of the property. The only conditions that Lord Lincolnshire made were that good gardens should be attached to the houses, and that the housing scheme was not to be carried out in such a way as to result in the crowding of houses on the site.

If all tenants for life acted in this way the unsatisfactory features of settled estates would not exist. Frequently, however, the tenants for life are indifferent to the needs of the community. Numerous instances could be cited where landowners have little interest in their extensive estates, beyond the enjoyment of land for residential purposes and the receipt of a substantial annual income. The farming tenants are left to make the best use of their land, without receiving the co-operation of the landowners in improvements. Rural cottages are allowed to fall into disrepair. New dwellings are not provided; the general well-being of the people in villages is a matter of no concern to some tenants for life. Charity is only accorded because it would be mean to withhold it.

In the case of most settled estates there is a lack of inducement to effect permanent improvements. The fact that the owner's interest is limited to his own life offers no encouragement to him to expend money out of his annual income with a view to assisting occupiers in making the best use of their holdings. It is probable that any expenditure along these lines would not bring in any additional income in the form of an increased rent. Money would be sunk with no immediate prospect of a beneficial return. In the case of new buildings it is possible sometimes to increase the rent at once to an amount equal to 4 per cent. on the outlay. The possibility of an advance in rent, however, almost invariably deters a farmer from asking for new erections. He will struggle on with old and inadequate buildings, until he is compelled, by force of circumstances, to appeal to the owner for his consideration and assistance.

But not only are permanent improvements

delayed, the ordinary repairs and maintenance of farms receive insufficient attention. The repairs bill is reduced to a minimum. Nearly every land agent, in cases where settled property is unwisely managed, is under definite instructions to keep a heavy hand on this side of the estate account. The object of the tenant for life is to have as large an income as possible, with deductions cut down to the lowest possible limit. Hence, repairs which have been urgently needed for many years are held over year after year. The buildings become more and more dilapidated. Finally, money has to be borrowed by means of mortgages to erect new buildings, which could not have been delayed for many years, if the interest of the owner had not been limited under the settlement. The tenants are helpless in the matter. If a dispute were engendered, it would probably end in a notice to quit. Rather than run this risk, tenants often use their own capital in restoring the buildings and thus rendering them more suitable for the purposes of agriculture. It is commonly believed that landowners expend heavy sums in maintaining their properties in good condition. This is true in a very limited sense. In the majority of cases land and buildings are shamefully neglected. No estates are so uneconomically handled as some of the estates held under the provisions of the Settled Land Acts of this country.

It is in cases where there is no direct heir of the existing tenant for life that the disposition to neglect the erection of buildings and carry out repairs is most pronounced. The expenditure on these works would not be enjoyed by children of his, because he has not a direct successor. There are no obligations on the present owner to discharge specific duties in the management of his property. It is no interest of his to make pro-

vision for a distant relative. For the moment, it is to the advantage of the tenant for life to sit still and enjoy the annual income from the settled estates. If buildings are falling into disrepair, or if the ground is not being cultivated in the best manner, it is unlikely, in many cases, that he will suffer in consequence. These works are left as a legacy to his successor.

There is no doubt that this aspect of the land question is being considered by the Government of to-day. Already inquiries have been made with reference to the results of the present system of settled estates. The Land Enquiry Committee has gone so far as to put a definite question on the subject to the Council of the Surveyors' Institution. In their answer to this inquiry the members of the Council have stated that "when a tenant for life has no children, and his estate will pass into the hands of those he does not know or care for, there is a tendency for him to do no more than was actually required." This opinion, coming as it does from a body of professional men, who are actively concerned in the management of landed property in all parts of the country, may be accepted as an accurate statement. It should convince the most conservative thinker on economic questions. The statement reveals the seriousness of the position of settled land. It is not an exaggeration. As a matter of fact, the effect of the practice is somewhat mildly stated by the Council of the Surveyors' Institution. The facts are even more serious than the Institution has disclosed.

The neglect of one tenant for life after another to maintain estates in proper order makes it practically impossible for their successors to remedy the evils of their indifference, even if there were an inclination to do so. Under the

Settled Land Acts a tenant for life may only raise money by means of mortgages to the extent of his own life interest. As we shall show in a subsequent chapter, it is a bad practice to allow the mortgage of large estates to go uncontrolled, but sometimes family circumstances render it necessary to do so. If the estates have been grossly neglected, and a large expenditure is needed to put the estates in proper order, it would be unfair to other children of a tenant for life if the requisite capital were expended out of the personal estate of the deceased, in which the other members of the family might be interested. Hence, there is no other course open for the new tenants for life but to resort to the improvident method of creating mortgage charges on the estates, in order to erect new buildings and carry out other improvements.

Under ordinary conditions of land ownership in fee simple, estates would fall into other hands, if the law or custom of primogeniture were abolished, and if the disposition of large estates in one block were prohibited. There would be some prospect of the new owners using the land to better advantage. The system of settlement of real estates, however, so operates that land does not readily fall into more capable hands, excepting in the case of building land, which is sold outright for the purposes of urban development. The original object of land settlement has long since become antiquated. It is a long step from the days of the Commonwealth to the twentieth century. There is now no reason to preserve real estates from forfeiture for treason. Land ownership has now been backed up by a large number of enactments, which have entrenched landowners in the possession of their property, whether their estates were justly acquired or not.

The secondary object of the system of land settlement is still with us, and it is likely to remain until the Legislature steps in to abolish it. The granting of land to trustees, with the direct intention of ensuring an income to subsequent holders, has become a custom which will take a long time to eradicate. No Acts of Parliament have yet dealt with the question satisfactorily.

It has been already pointed out that there is a serious danger in regard to large estates in this country. There is no practice which encourages the existence of large landowners so much as the system of settled estates. It makes it possible to hold large blocks of land intact, from one generation to another, with little variation in the total acreage owned by tenants for life. To split up estates would involve loss of prestige and disturb family pride and feelings. County influence, as well as political distinction, may only be sustained by the retention of the family estates in one holding. These considerations induce extensive landowners to continue the practice of settling their property.

One of the greatest difficulties that present themselves in the matter of the provision of small holdings is the existence of settled estates. Where land is needed for this purpose there is no inclination to disturb family settlements by agreeing to sell land to county councils. It is also equally difficult, in most cases, to acquire land under a renting agreement. The practice of land settlement operates as a barrier to the regeneration of the rural life of this country.

The law relating to settled land, in recent years, has become most complex. So intricate is it that many eminent lawyers do not profess to have a thorough knowledge of the various Acts of Parliament directly bearing on the subject. The legal

questions are confusing, and, in consequence, they involve very heavy professional expenses on tenants for life. No attempt could, with advantage, be made to consolidate the various statutes. It would be in the interests of the nation if the practice were swept out of our land system, after making suitable provision for expectant lives.

CHAPTER XVI

EVILS OF SETTLED LAND SYSTEM

IN the preceding chapter we discussed the system of settled estates and the powers of tenants for life in the ownership of their property. It is now proposed to examine, in greater detail, the evils which arise from settled land.

It is commonly supposed that the laws relating to settled estates have been satisfactorily modified. Whether this is true or not, it has never been declared by Parliament to be unlawful to create an entail. It is the practice, on the occasion of the coming of age of an heir to settled estates, to join the existing tenant for life in annulling the settlement, and then immediately creating a new settlement. The latter continues throughout the life of the heir, and until the next heir in the succession adopts a similar method of dealing with the family estates. So long as a new settlement deed is executed, the property cannot be held in unrestricted fee simple. Under these methods the system is continued indefinitely. There are millions of acres in the United Kingdom which are governed by the terms and conditions of deeds of the character we have described.

There are many economic disadvantages arising out of the settled land system. Land cannot be fully developed until the practice has disappeared. It is generally impossible for landowners to take an active personal interest in their tenantry. Co-operation between landlord and tenant will only be brought about when there is a real sympa-

thetic relationship between the two parties. The late Mr. W. E. Gladstone stated that

“reform of the land system, with the abolition of the present system of entail, together with just facilities for the transfer of land, is absolutely necessary in order to do anything like common justice to those who inhabit the rural parts of the country.”¹

It is the common practice, on the decease of a landowner, for his successor to raise the death duties by means of mortgages on the estates. This arrangement is most extensively adopted in the case of settled estates. Instances where tenants for life have made provision out of annual income for the payment of the whole or part of estate duty are comparatively few in number. When death takes place it is impossible for the executors or trustees to realise the necessary funds by the sale of land, even if there were some inclination to do so. The duties are raised by borrowing from banks, insurance companies, or private individuals. This method goes on from one generation to another, the total mortgage debt on the estates often increasing with each succession. Seldom is any attempt made to redeem the charges, and thus free the land from heavy financial burdens.

In addition to borrowing for the purposes of meeting estate duty, settled estates are often encumbered with loans under the Land Improvements Acts. It is true that these are being gradually redeemed, by means of sinking fund payments, but there is nothing to prevent further borrowings from time to time for the purpose of drainage and other works. Furthermore, numerous estates are so burdened with jointures and other charges, arranged for family purposes, that when interest and other annual payments

¹ Speech at Newcastle, 2nd October, 1891.

have been met there is little left for the tenant for life. In some cases the rental is insufficient to meet the annual outgo. It is under conditions like these that there is a natural tendency to increase rents, and thereby throw the burdens, caused by wanton neglect, on to the shoulders of tenants.

If we were to take a map of the United Kingdom and indicate thereon, in dark colour, the mortgaged estates of the principal landowners, we should have a very black map indeed. The safes and vaults of solicitors, banking corporations, and insurance companies are full of mortgage deeds, representing an enormous amount of capital borrowed by owners of land.

How are the interest charges met? It would not be an exaggeration to say that a very large amount is contributed by the tenants of the soil. At all events, if these borrowings had never existed, it is obvious that there would not have been the same tendency to increase rents in order to maintain some of the stately homes of England.

It will be of surpassing interest to those who have not made a serious inquiry into the subject of land and mortgages if they examine the balance-sheets of the various life insurance companies carrying on business in the United Kingdom. The latest return shows that the sum of £107,286,186 has been lent on mortgage securities by life insurance companies alone.¹ It should be added that a large portion of this amount is loaned on town properties, but it is within the knowledge of those directly concerned with the control of some of the leading insurance companies that the greater proportion is advanced on the mortgage of agricultural land. The figure which has been named does not include the advances

¹ Board of Trade Return No. 426 (Part A), 1913.

made by fire insurance institutions, which, though not so large, are not inconsiderable in amount.

It appears to be somewhat absurd that many of the noblemen of this country are carrying mortgage loans, which have been provided by the savings of the middle and lower classes of the community. Some of the largest industrial insurance companies, whose funds have been created by the contributions of some of the poorest classes of the community, have lent money extensively to large landowners. Many of these mortgages are charged on settled estates, where family pride and sentiment still exist. And yet this class of landowner is not so proud as to be unwilling to take advantage of the industry and thrift of other sections of the community in order to maintain estates intact and enjoy the privileges of land proprietorship.

There is, of course, no means of ascertaining the total amount of private mortgages lent through the agency of solicitors and surveyors. It is sufficient to say that these advances are most frequent and sometimes of enormous proportions. Indeed, the businesses of many solicitors are largely remunerative in consequence of the negotiation of mortgages on behalf of private investors, in connection with which there is a wide field for professional services. Many of these are arranged in respect of estates held under settlement deeds.

So far no mention has been made of the amounts advanced by banking corporations. These are very substantial in amount. There is, of course, no means of ascertaining the total sum advanced by banks, as various loans are merged in the general advances to customers. It is, however, well known that large estate owners, as well as land speculators, are financed in this way.

When these facts are considered in their true

perspective it will be realised how near the community is towards the public ownership of land. If the land offered as security for advances by different financial institutions, representing as they do some millions of members, were distributed among the persons who have a direct monetary interest in such property, it would no longer be possible to say that over one-half of the United Kingdom belonged to about 2,500 privileged persons. On the contrary, the bulk of the nation's land would be under the control of the great body of the people, through the media of insurance and banking corporations. Now that the people, as a whole, have become so substantially interested in the land, it would not seem to be a very difficult matter to acquire for the nation every acre of land in the country in trust for future generations. At any rate, the gradual acquisition of land from year to year is a method which might at once be adopted by the State.

The consideration of heavy mortgage debt carried by land raises another question of serious moment. An individual cannot have a debt unless he is at the same time shouldering an encumbrance in the shape of annual interest charges. This liability has to be met without fail, otherwise the estate will be seized by the mortgagees. Every mortgage deed is a virtual deed of conveyance. It only requires a single default to endanger the ownership of the property, whereupon the absolute possession falls to the lender. Under these conditions the first aim of the landowner is to pay the interest charges. To delay would mean loss both of land and prestige.

Statesmen have been careful to warn the nation of the economic evils which result from the management of large estates by means of borrowed

money. The late Lord Salisbury, speaking in 1879, said

“ there is no tenure more destructive to the well-being of a country, more destructive to the relations between landlord and tenant, and fatal to improvements, than the holding of land by a man whose land is so heavily mortgaged that he has no further direct interest in the property.”

What was true in the year 1879 is true to-day. The mischief is, as a matter of fact, more aggravated now than it was thirty years ago. Since the passing of the Finance Act of 1894 by Sir William Harcourt, the larger landowners have resorted even more extensively to the deplorable method of meeting estate and succession duties by creating mortgage charges on their properties.

It cannot be doubted that the expenses incurred in owning estates have thereby materially increased. Interest charges have become heavier. They have made a serious inroad into the rentals of many estates. How is the additional outgo recovered?

There is a very close association between interest charges and gradually increasing rents. The financial position of the landowner has frequently compelled him to seek relief from his burdens by resorting to a revision of tenancy agreements. It may not have been done immediately, but it has certainly followed in the course of years. The increase may not have been levied all at once, but it has been done gradually. It is not suggested that these are the results in every case. Some landowners have refrained from transferring their liabilities to their tenants; indeed, this practice is probably the last that would be resorted to in some instances. But, in the main, it is true. So soon as the net income begins to diminish a land agent is instructed to increase the rents, whenever an opportunity presents itself. This is often the

experience of those who are responsible for the stewardship of estates.

Rents are similarly affected in cases where large claims for estate duty have been met by the realisation of railway and industrial investments, in order to avoid the necessity of securing the necessary funds by way of mortgages. The representatives of Lord Tredegar, who recently died, were called upon to pay estate duties amounting, in the aggregate, to about £446,000. Whether this money has been realised by the sale of private investments or by other methods, it has already had its effect upon the rents paid by some of Lord Tredegar's tenants, because the latter have been notified of the withdrawal of an annual rebate of 20 per cent. after February, 1915. This rebate has been in vogue for some considerable time.

Landowners who, year after year, increase their financial obligations are in some respects comparable to an ordinary person who is gradually adding to his personal liabilities. The evil day cannot be deferred for ever. There must ultimately come a time when it will be necessary to revise the methods of conducting their affairs. A commercial or professional gentleman would not continue to borrow money indefinitely. The reason why estates owners are able to continue along these lines, generation after generation, is the fact that they are in a position, occasionally, to recover some portion of their annual interest charges from the tenants of their land. In other cases old families become impoverished. They find they are no longer in a position to maintain their establishments. Buildings fall into disrepair. The soil is mismanaged. Tenants become dissatisfied. Nevertheless, family pride and respect for ancestors make some owners stand in

horror at the mere suggestion that the estates should be disposed of. It is, indeed, the practice of mortgaging land that has prevented the diffusion of estates among a larger number of persons.

Sir H. Rider Haggard has furnished us with the balance-sheet of an East Anglian estate comprising 15,000 acres. The gross rents amount to £10,068. After meeting all expenses, including tithes, rates, taxes, management, repairs, schools, pensions, insurance premiums, mansion expenses, subscriptions, gardens, &c., the sum of £298 only was paid over to the owner. The description of this estate suggests that it is held under a settlement. It is not clear what the item of "mansion expenses" really is, but possibly some substantial portion of the amount was disbursed for the benefit of the owner, who was in residence. If so, this amount should not be put down as an expense in running the estate. The most interesting feature of the balance-sheet, however, is the amount of the annual charges on the property. These charges total £2,293. Had this annual liability not been incurred, the present owner would have had a net income of £2,591 a year, even after discharging what are described in the accounts as "mansion expenses."

CHAPTER XVII

LEGISLATIVE REMEDIES

A CONSIDERATION of the effects of settled land has led us to realise the urgent need of legislative remedies. One of the most effective steps to take by the State would be to prohibit the mortgage of estates, in order to find the money required to pay estate or settlement duties. The State should insist upon the successors of the deceased landowner handing over to the nation land equivalent in value to the amount of the death duties. The parties might be allowed to decide which portions of the estate should be handed over, so long as the value of the land was reasonably sufficient to meet the sum needed by the Exchequer. Having regard to the fact that the ownership of land is a monopoly which has great economic disadvantages, the method which we have suggested could not be regarded as an injustice to large landowners. If they were desirous of retaining their estates intact, it would encourage them to be less thrifless in the management of their property. Under these circumstances, there would be a great inducement to make due provision, by insurance or otherwise, for the payment of estate duties, instead of burdening the land with mortgage debts.

But even if the landowners did not become economical in the use of their property, the system which has been suggested would furnish a ready means of recovering the land for the benefit of the nation. It could not conceivably

be regarded as unjust to present owners. No new duties would be necessary; the method would make it possible to acquire land without resorting to the undesirable suggestion of gradually taxing landowners out of existence, which is so often advocated.

The advantages of this arrangement would be still greater. It would avoid the necessity of charging the remainder of the landowner's estate with heavy mortgages. The annual expenses of estate management would be kept within reasonable limits. There would not be a tendency to increase the rents of the tenants, in order to provide for heavy financial obligations.

In addition to this, it should be remembered that no estates in this country are managed in a more satisfactory manner than Crown lands. The buildings are generally suited to the modern needs of agriculture. Land is maintained in a high state of cultivation. The tenants are prosperous and industrious. It is reasonable to suppose that, under State control and supervision, land acquired in lieu of the payment of estate duties would be put to a more valuable economic use.

An exacting critic would, however, ask the question, How will the Exchequer's difficulty be met? Cash, it would be pointed out, is needed at once for annual expenditure in connection with national services; the estate duties are utilised to meet these obligations. We shall be reminded that if land is transferred in bulk, the means would not be available to meet the claims on the Exchequer. In consequence, it would be argued, the Government would be compelled to adopt new taxation on land and other forms of income to enable the State to meet annual expenses.

It is hardly necessary to examine these arguments in detail. They could not be maintained.

The suggestions would proceed from a lack of knowledge of the matters relating to finance. No difficulty would really arise so far as the Exchequer is concerned. The arrangements would be simplicity in itself.

The State is now receiving annually, in death duties, a sum of about £25,000,000. The greater portion of this amount is levied on personalty. Probably not more than £10,000,000 is assessed on real estate. If we leave out of the calculations small estates, where the duties are not generally realised by the creation of mortgages, the Exchequer, in all probability, would have to adjust its financial arrangements in respect of an amount of about £7,000,000. It would be an easy matter to raise this sum each year by the issue of Consols, or by the creation of a British Land Stock. The Exchequer would possess all the money needed for the purposes of meeting national expenditure, while, on the other hand, the State would secure the possession of the title deeds to an extensive area of land.

No better employment of State capital could be found. The method would prove a valuable investment. Future generations would reap a harvest the value of which could not now be estimated. As a rule the National Debt has been created in past generations in consequence of money which has been shot from the mouths of cannons. There are comparatively few assets to set off against the expenditure. Heavy annual interest charges on the National Debt have to be paid, whilst there is a small corresponding income on the outlay.

This would not be the case in the acquisition of landed property. If Land Stock were issued there would be the investment behind the stock. There would, undoubtedly, be interest charges to

meet, but, on the other hand, there would be a regular annual income in rents. In this respect the outlay would be self-supporting, to say nothing of the future socially-created wealth, which would become the entire property of the people, in exactly the same manner as the increase in value of the Suez Canal shares. The interest charges would remain at a fixed rate per cent., but the capital value of the land owned by the nation would increase.

In this connection there is an additional advantage which should not be overlooked. We have pointed out that the present system of resorting to mortgages leaves it open to the burdened landowner to transfer some of his obligations to the tenants on his estate. This is a real evil, and one which is widely practised. If mortgages for estate duty purposes were prohibited the occupiers would be safeguarded against increases in rent.

In addition to the remedy mentioned above, it is essential that the power of settling land should be more stringently limited. Unborn persons, save the children of the present tenant for life, should be excluded from the ownership of settled land. Discretion should be given to the last tenant for life to bequeath the property to whom he thinks fit. Precaution should, however, be taken against the possibility of large estates being kept under the control of one person by means of testamentary disposition. To meet this possibility estates should be divided among children, equally or unequally, as the owner desires to direct by will.

In connection with the foregoing suggestions it will be of interest to consider the effects of the law regarding property in Scotland. The Act of 1848 abolished all future entails, and granted powers to owners of all existing entails to annul the entail, on receiving the consent of the next three heirs.

Later, in 1875, it was enacted that the consent of the second and third heirs might be dispensed with. In this event the Court was directed to ascertain the value in money of the expectancy "or interest of such heirs." When this was done the entail no longer existed; the land was held in unrestricted fee simple, with full power of testamentary disposition by the owner.

One desirable reform, and one which is especially applicable to settled estates, is that relating to the expenditure of a minimum sum on repairs. Under the Finance Act of 1894 the State for the first time granted an allowance for repairs before assessment to Schedule A or Property Tax. This allowance is one-sixth of the rent, after deducting rates, in respect of houses or buildings, not including farm buildings. In respect of lands, farmhouses and buildings in connection therewith, the allowance is one-eighth of the rent *plus* tithe. It matters not whether the landowner has expended the statutory amount in repairs, or whether he has neglected to do so, he is able to obtain relief from property income tax. In some cases, it is true, large sums are expended in repairs, if new buildings are considered to be repairs. Many examples could, however, be furnished to show that the landowners do not even spend the statutory amount in maintaining their estates, taken on an average of a number of years. It is absolutely necessary, in cases of this kind, to require a declaration from the landowners that they have expended the necessary sum in repairs before entitling them to the relief granted by the Act of 1894.

It is often stated that a large number of landlords spend an amount in repairs which is very much in excess of the statutory allowances under the Act of 1894. The supposition that this

statement was correct led Mr. Lloyd George, in 1909, to grant further relief to owners. Under section 69 of the Finance Act of 1909-10 it was enacted that

“if the owner of any land or houses shows that the cost to him of maintenance, repairs, insurance, and management, according to the average of the preceding five years, has exceeded, in the case of land, one-eighth part of the annual value of the land as adopted for the purpose of income tax under Schedule A, and in the case of houses one-sixth part of that value, he shall be entitled, in addition to any reduction of the assessment under section thirty-five of the Finance Act, 1894, on making a claim for the purpose, to repayment of the amount of the duty on the excess.”

In order to secure the benefit of this generous provision, it is now only necessary for the owner to deliver to the local surveyor of taxes a declaration as to the cost of repairs. If the surveyor is satisfied as to the correctness of the declaration, the amount of the allowance to which the owner is entitled under the section referred to may be certified by the surveyor, and repayment will thereupon be made in accordance with the certificate.

This provision is, undoubtedly, a valuable concession to landowners, especially in cases where estates are held under a deed of settlement. The term “maintenance” is given a wide meaning, and is defined, in the Act of 1909-10, so as to include not only repairs, but the replacement of farmhouses, farm buildings, cottages, fences, and other works where the replacement is necessary to maintain the existing rents.

An amount of half a million sterling was set apart by Mr. Lloyd George, in his Budget of 1909, for the purpose of meeting claims from landowners who were supposed to be heavily burdened with the cost of repairs. In the first year, however,

the sum of £5,000 only was claimed. The following year the total claims reached £49,000, while in the year 1912-13 only £68,000 was asked for. These facts show that landowners are not as heavily burdened as is commonly supposed in the matter of repairs ; on the contrary, many examples are available where estate owners are not morally entitled to the statutory allowances of one-sixth and one-eighth of the annual rent under the Harcourt Act of 1894.

There is no justification, in equity, for granting further concessions to landowners. Legislation is now needed to protect the cultivators of the soil from the injudicious management of land by extensive owners. No protection will be given to those who use the soil, urban or rural, if the system of settled land is not abolished. Real reform will not be brought about by merely tinkering with the question. A bold and definite policy is the only solution.

PART V
TRUSTS AND OTHER FORMS OF LIMITED
OWNERSHIP

“ If landlords are unable to develop their property to the best advantage, if they cannot perform the obligations that attach to it, then I say that they must be taught that their ownership is a trust which is limited by the supreme necessities of the nation, and they must give place to others who will do full justice to the capabilities of the land.”—MR. J. CHAMBERLAIN, in 1885.

CHAPTER XVIII

THE EFFECT OF TRUST ESTATES

“SPEAKING generally, it is the case that landed estates which are under trusts are badly managed.”¹ This fact is within common knowledge; it is scarcely necessary, perhaps, to give emphasis to it here. In nearly every case where land is held by trustees there is no direct personal interest on the part of the owner. Large tracts of land cannot be satisfactorily managed, unless there is some amount of sympathy between landlord and tenant. Trustees are very often unsuitable for the purpose, and sometimes lack the necessary experience in agricultural matters. They are, in some instances, known to differ on matters of mere detail.

Occasionally some estates fall into the hands of a trustee in bankruptcy, who may have had no training in the letting of landed property. In cases of this kind the farmer is more likely to suffer than to benefit.

Private trust estates are very common, both in respect of personal and real estates. The latter generally arise out of the will of a deceased landowner. In instances of this kind the primary object is to avoid subdivision of the land among several children. Where one mansion is available, every effort is made to prevent the estate being split up into several holdings. This can only be done by the creation of a trust to run until one or more of the children have reached a specified age. The powers of the trustees are often governed by

¹ “Principles of Property in Land”: J. Boyd Kinnear, p. 189.

the precise wording of the will, or other document creating the trust. In the absence of definite instructions by will, or trust deed, the powers of the trustees are regulated by statute.

It may be necessary, in certain events, to create a trust in connection with real estate. If the landowner's children are minors, or incompetent to manage property, this method of controlling the family interests would seem to be the only course open to the landowner. It is essential, perhaps, that someone should be vested with full powers to lease land, and perform any other act in the general management of the property.

No evil arises if the trustees are capable and conversant with the matters relating to the use of land in the best way. Where they neglect to discharge their duties in a proper manner, the estates suffer, and the interests of the tenant are prejudiced in consequence. Frequently trustees are so actively engaged in their business and social pursuits that things are left to chance. If there is no family relation between the trustees and the beneficiaries, evil consequences often arise.

This is particularly the case where the income is somewhat limited. The trustees, anxious to maintain as high an income as possible, will allow the farm buildings to fall into disrepair. They spend as little money as they can on the upkeep of the property. In consequence of their position as trustees, they have no moral obligations to the tenants working on the land. The question of repairs and new buildings is left to the time when the trust will be ended, by the effluxion of years, and when their responsibilities will have ceased. Trustees generally hesitate to carry out new works which may involve criticism later on when the beneficiaries have attained their majority.

When a trustee is acting in a professional

capacity, and is entitled to regular remuneration for his services, he is always anxious to show a good return to those for whom he acts. The higher the returns he is able to show, the more pleased his clients will be. It is, therefore, a temptation to reduce estate expenditure as much as possible. Generally speaking, professional trustees are solicitors, whose knowledge of the requirements of agriculture is not generally very extensive. Unlike a wise land agent or surveyor, they do not always look into the future and thus maintain the land and buildings in an efficient state. A qualified land agent considers it a part of his professional duty to keep a watchful eye on the maintenance of the estates in proper condition.

Under trusts there is often a tendency to increase rents unfairly. Where there is a number of beneficiaries, and where the total rental appears to be insignificant when distributed amongst them all, an effort is sometimes made, year by year, to add to the responsibilities of the tenants. This fact is one of the most fruitful sources of rack-renting. Farmers find it increasingly difficult to meet their annual obligations. In some instances rents are so heavy that it is only possible for the agriculturist to secure a bare existence.

Again, some beneficiaries are known to reside abroad. It is impossible, therefore, for them to take a direct interest in their tenantry. Absentee landlords are known to be a curse to national well-being. When considered in regard to the rights and interests of tenants, it is a grave feature of land ownership. The difficulties of the land system in Ireland, some years ago, were accentuated by the fact that many of the landlords were absent from that country for very long periods; in some cases they were never known to visit their estates. Beneficiaries who live abroad

cannot realise the needs and difficulties of their tenants, and they have no means of ascertaining whether their lands are being economically managed by their trustees.

In instances where trusts exist for the benefit of several persons, the interests of each are limited by the rights of all the others. There is no independency. One beneficiary may have a keen inclination to develop the trust estates along certain definite lines. He is, however, powerless to act, if the other parties, as well as the trustees, are not sufficiently enterprising. One beneficiary may wish to encourage the industry of the tenants by the erection of new buildings, and by improved methods of cultivation; the others may not be alive to the advantages of modern ideas.

If private ownership in land is to continue, circumstances may occasionally arise when trusts will be resorted to. The disadvantages of the practice may, however, be mitigated by statute. It is necessary to extend the obligations of the trustees in the management of the estates in their charge. They should be called upon to make the best economic use of the land, and made liable for the maintenance of farmhouses and other buildings in good condition. But the most effective reform of all would be the establishment of a Land Court, to which a tenant would be empowered to appeal, in order to receive a fair adjustment of his rent, and in order to ensure a proper recognition of the responsibilities of the owners, in regard to the full development of their property.

CHAPTER XIX

COPYHOLD TENURE

THE tenure of land known as copyhold is an example of limited ownership. As we shall show, it is also an instance of limited occupation in regard to the use of the soil. It is not possible to ascertain the number of acres in this country held under this form of ownership. A return should be called for. There is no doubt that it would prove interesting and helpful in dealing with the land question, as a whole, by Parliament.

It should be stated that new copyhold property cannot be easily created, first, because copyhold land must have been within the limits of an old manor, and possessed as such from time immemorial; second, because it has been declared unlawful for the lord of the manor to make grants of land, not previously of copyhold tenure, to any person without the previous consent of the Board of Agriculture.¹

A copyhold is a tenure of land which is held from the lord of the manor. It is governed by the customs of the manor, and is created in the manorial court by copy of the Court Roll. The Court Roll is in the possession of the lord's steward. It furnishes details of the lands and buildings within the manor, and contains records of the various tenancies which have existed. Every new tenancy is at once entered in the Court Roll by the steward.

Both the interests of the manorial lord and the copyholder are restricted to the terms of the

¹ Copyhold Act, 1894, section 81.

Court Roll. The heavier obligations, of course, fall on the tenant, who, in addition to fines, is liable to perform certain services to the lord.

The chief services and obligations may be enumerated as follows :—Suit of court, a personal service, and usually consisting of a liability to be summoned to attend manorial courts ; service on the homage jury ; fealty, a promise, by oath, to be faithful to the lord, and an undertaking to discharge the services of the tenancy ; the payment of the lord's fine in the event of the admission of a new tenant, and, sometimes, when the lord becomes deceased ; reliefs, closely related to fines, and due upon every inheritance ; heriots, the right of the lord of the manor to take the best beast ; quit rents, or rents of assize, payable to the lord every year ; forfeiture, in the event of any wrongful act on the part of the copyholder in the use of his land, or in the event of his refusing to attend the lord's court, or perform other customary obligations ; escheat—when the tenant dies intestate his property escheats to the lord of the manor in precisely the same way as freeholds escheat to the Crown, if a person dies without leaving heirs. Some of these services have been commuted.

Copyholds are widely distributed all over the country. The fact that so many legislative measures have been enacted, in comparatively recent years, proves that the system of copyholds is extensive.

Where copyhold tenancies are small and reasonably controlled by good landlords it can be shown that there is no serious effect on agriculture. Some of the best farm land in the United Kingdom is to be found in counties where copyhold tenure is very general. It does not follow, however, that under these conditions the tenants are always

doing well. Indeed, many tenants of copyhold land find it difficult to make the best use of their land. The returns from the cultivation of the soil are sometimes not very substantial, and in the event of the death of a tenant the successors are served with a demand, by the lord of the manor, for heavy fines. In some instances these fines are equal to two years' rent. Where the tenants have limited means, the raising of the money involves difficulties, and frequently the tenant has to resort to moneylenders.

The levying of vexatious fines is a very undesirable feature of the copyhold system. They arise sometimes out of events over which the copyholder has no control. The privileges of landowners in respect of copyhold land are evidences of feudalism, and the time has now surely arrived when the relics of villeinage should be cleared out of the land system of this country.

It is impossible to make the best economic use of land, so long as copyhold tenure remains. As we have pointed out, in preceding paragraphs, this form of land tenancy is not generally conducive to effective cultivation. Both landlord and tenant are hindered in the development of the land. Especially is this the case when land is becoming ripe for building purposes.

The urgency of reforms for dealing with copyhold estates is almost as great to-day as it was in the year 1838, when a Committee issued a severely critical report. Sir Robert Peel was a member of this important Committee, and the following is an extract from the report referred to:—

“ Your Committee are satisfied that this tenure is unadapted to the wants of the present day and it is a blot on the judicial system of the country. They consider that the peculiarities of the incidence of copyholds (which have their origin in the villeinage of the Feudal system) are at

once highly inconvenient to the owners of the land and prejudicial to the general interest of the State. By the nature of the copyholds tenure independent of custom, some of the most valuable productions of the soil are distributed to the lord and the copyholders so as to be of little value to either. Thus, the lord cannot cut the timber growing on the land without the consent of the tenant, nor can the tenant cut it without the licence of the lord. The lord cannot open and work a mine under the soil without the consent of the tenant, nor can the tenant open and work it without the licence of the lord. It is not surprising that under these circumstances the mine remains unworked, and the timber has disappeared from the face of the land. Where, also, the fine payable to the lord is arbitrary, it operates as a tax upon the capital of the tenant, and is a direct check upon all buildings and agricultural or other improvements. As long as copyhold shall exist, two distinct species of tenure will prevail, mixed up very generally with each other, and causing needless expense and difficulty."

It is true that the enfranchisement of copyhold land has been made somewhat easy by several Acts of Parliament. These Acts have been codified and consolidated in the Copyhold Act of 1894. In the latter Act, the terms and conditions on which copyhold enfranchisement may be secured are concisely stated. Copyhold lands may be enfranchised in three ways: first, by voluntary enfranchisement at common law; second, by voluntary agreement between the lord and tenant; third, by compulsory procedure. In the latter case the procedure is commenced by the service of a notice by either the lord or the tenant. A copy of the notice is required to be deposited with the Board of Agriculture. The award of compensation due to the lord, upon the enfranchisement taking effect, is given by the Board. A lord may, however, avoid an enfranchisement of copyhold property if it is possible to show that the act would be prejudicial to the lord's manorial house and grounds.

With regard to the voluntary enfranchisement of land belonging to limited owners, the Copyhold Act of 1894 provides that a notice in writing should be served on the person entitled to the next estate of inheritance in remainder or reversion, if the copyholder has not undertaken to bear the whole expenses of the enfranchisement. Copyhold land, before its conversion to freehold, is sometimes further hampered by the interest of a person under a will, settlement, or mortgage. All these facts militate against the exercise of the powers of the tenants under the Act. The procedure is too much involved in technicalities to encourage them to resort to enfranchisement.

In addition to the disadvantages already mentioned, it should be pointed out that the costs of enfranchisement are a serious discouragement. The latest Act relating to copyholds has laid down the rule that the whole of the expenses of enfranchisement must be borne by the party desiring it. If, therefore, the tenant requires to take advantage of the provisions of the Act, he knows that he will involve himself in the costs of his action. This deters him from serving the requisite notice in order to commence the proceedings.

It is true that when the compensation due to the lord has been arrived at, by agreement between the parties, or by direction of the Board of Agriculture, the tenant need not necessarily pay the amount in one lump sum. The tenant may call for an annual rent-charge to be created, equivalent to interest at the rate of 4 per cent. on the amount of compensation. If, however, the tenant desires to redeem this rent-charge subsequently, he can only do so by paying an amount equal to twenty-five years' purchase.

Where land is still held by copy of Court Roll there is a natural unwillingness to build upon it

until it has been enfranchised. If land is required for urban development, there is a tendency to hold it up in consequence of the conditions of copyhold tenure. An owner of copyhold land is not generally keen about the enfranchisement of the property, if it is gradually ripening for building purposes. The longer he is able to defer the enfranchisement, the more is he likely to benefit from the increases in land values due to the community. Section 6 of the Copyhold Act of 1894 has given to manorial lords the right to receive compensation for what are described as "facilities for improvement." Under this provision the owner is entitled to receive the prospective value of the land when devoted to building purposes. It is the practice to take this value into account when arriving at the compensation to be paid by the tenant to the lord upon enfranchisement.

It is scandalous that copyhold tenure should be allowed to remain in this country, with all its privileges of exacting fines and excessive compensation. The question is one demanding serious and immediate consideration by the State. No legislative measures will be sufficient if they do not lead, as early as possible, to the abolition of copyhold tenure.

PART VI
THE SYSTEM OF ASSESSMENT

“The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities.”

ADAM SMITH, in “Wealth of Nations.”

CHAPTER XX

PROPERTY INCOME TAX

WHEN the State begins to deal with matters relating to Imperial taxation, it is very important to consider what is likely to be the effect on the occupation of the soil. Great care is needed in this connection. Some political enthusiasts advocate the taxation of land, without realising the ultimate effect of legislation of this kind.

It is not proposed, in this chapter, to deal with the existing land tax, or to discuss the suggestions so frequently advocated to-day by single taxers ; these questions will be considered later. For the present, it is intended to examine the system of assessment under Schedule A, commonly known as the Landlord's Property Tax.

Economists of different schools have often discussed the result of taxation of land in its relation to occupiers. One section has contended that the taxes are borne chiefly by the landlord ; the other section has put forward the argument that impositions, local as well as Imperial, fall mainly on tenants. Plausible arguments are frequently advanced in support of one or other of these opinions.

Those who are actually concerned with the management of property, urban and rural, have, however, a better opportunity of judging the effects of taxation over a number of years. And, whilst it cannot be maintained that taxation falls ultimately on the occupier in every case, land agents know that rent is very frequently increased

in consequence of the demands made by the State upon landowners. The temptation to transfer the burden to other shoulders is very great, and many illustrations could be furnished to show that this practice is adopted where land is not held by good landowners. There is no doubt that impositions, local and Imperial, fall chiefly on industry, and are borne, to a great extent, by those who occupy the soil.

If there were no direct Imperial taxes, it is obvious that the landlord could afford to let his property for less rent. The annual yield per cent. on the capital value of his land would, in all probability, be approximately the same in the one case as in the other. All rents are governed by the net result which will accrue to the owner by the letting of his land. The landlord endeavours to secure a definite rate per cent. on his investment, and, with this in mind, the rent is adjusted to meet the circumstances of each particular case. If taxes on the annual value increase, the yield diminishes. In order to maintain the yield, the landlord frequently increases the rent. Many agricultural tenants are paying higher rents to-day in consequence of the additional Imperial taxation levied on landowners.

What is true of farming tenancies is also true of town tenancies. In towns the increases in rent caused by taxation are, perhaps, more noticeable than in country districts. Speaking generally, landlords do not lose an opportunity of transferring their own direct taxation to their tenants. This was recently illustrated in the case of Wolverhampton. A few months ago the Wolverhampton and District Property Owners' Association decided to increase the rents of private houses, chiefly occupied by the working classes. With this object in view, the association

issued a circular letter to various landlords in Wolverhampton, in which it was stated

“ that in view of the increase of rates and taxes during recent years, and the various liabilities and obligations placed upon the landlords by various Acts of Parliament, the time has arrived for a general increase in the rental of private houses.”

Acts of Parliament, during recent years, have been passed with the sole intention of levying taxes on incomes from property; the case of Wolverhampton shows that these personal taxes are being transferred to the occupiers. The same thing is true of every town and city in the United Kingdom where new houses are limited in number.

Only in the event of the sale of his estate may an owner of landed property be said to suffer from the burden of taxation, because the price he is able to secure is sometimes limited by the amount of the Imperial taxes. In the valuation of most landed estates, and frequently in the case of urban properties, full account is taken by the valuer of the obligations falling on the estate. These liabilities are not lost sight of in fixing the price which a new owner is willing to give for the acquisition of the property. The true value of the land is frequently diminished by an amount equal to twenty to thirty years' purchase of the total amount of the annual taxation paid to the national Exchequer. The selling owner loses this value, but the new owner benefits thereby. But as regards the annual taxes themselves, these are generally merged in the rent and they are contributed, in the main, by the tenant. The owner may, to all intents and purposes, pay the income tax; the occupier is often the real contributor.

With this fact in mind the State should not resort to increased taxation on land, unless the interests of the tenants are properly safeguarded.

Steps should first be taken to make it impossible, under any circumstances, for landowners to hand down their taxes to those who are beneath them. As Property Tax is a levy on private income, from land and buildings, it should be borne by the person who benefits by the receipt of rents. It should be his personal liability. The machinery of a Land Court would be useful in protecting the tenant against unjust burdens in consequence of increases in taxation.

The Finance Act of 1894, for which Sir William Harcourt was chiefly responsible, made valuable concessions to landowners. For the first time landlords became entitled to deductions from assessments to income tax in respect of repairs. Every owner of farming lands is now entitled to a deduction of one-eighth of the annual rent, including tithe. In the case of other properties with buildings the deduction is one-sixth. In the year 1910 Mr. Lloyd George granted further relief by giving landowners the right to a deduction of 25 per cent. if they were able to show that this amount had been expended by them in maintaining their estates in a satisfactory condition to maintain the rent.

These allowances were generous, but no steps have hitherto been taken to ensure that the amounts allowed by the State, under the Act of 1894, were actually expended by landowners. It is true that many just landlords are liberal in their expenditure on the upkeep of their property, but in numerous parts of England there are estates where the amounts allowed are not expended in repairs, taking one year with another. On estates under settlements this is commonly the case.

It is very necessary that some amendment of the Act of 1894 should be made to meet this

neglect on the part of certain landowners. Mr. Lloyd George, in 1910, made a wise provision in regard to the additional relief in respect of repairs. He insisted upon a landowner satisfying the local surveyor of taxes that the amounts claimed by him had been expended during the previous year.

This provision should be made to apply to the statutory deductions under the Finance Act of 1894. If a landowner is unable to satisfy the surveyor of taxes, by declaration or otherwise, that the amount has been spent on an average of five years, the owner should then be disentitled to the allowance, and his assessment for the year should be on the full annual value.

The economic value of all land would substantially increase, if sufficient money were spent annually in maintaining the property in good condition. It is the neglect of this wise precaution which presses so heavily on most farmers in this country. They are limited in their occupation of the land because landowners do not fully estimate the importance of repairs.

If landlords were more effectively controlled along these lines, there is no doubt that better farm buildings would be available. There would not be the same tendency to disregard the responsibilities of land ownership. The buildings would be maintained, from year to year, in a satisfactory condition. Farmers would enjoy better facilities in the conduct of their business.

But the expenditure of sufficient money in repairs would have a beneficial effect on rural wages. Men would be encouraged to remain in the villages. More work would be available for masons, bricklayers, joiners, plasterers, and members of other kindred trades, whilst agricultural labourers would be suitably employed in ditching and draining.

It is absolutely essential that the repairs of farm buildings should be carried out more systematically than is the case at the present time. Things should not be left to chance, or deferred until the successor enters into possession of the property. Delays in regard to the maintenance of buildings often result in the property falling to pieces. New erections are then necessary. Tenant farmers, however, rarely succeed in obtaining new buildings, unless they undertake to pay an increased rent equal to a certain percentage on the outlay. Had the old buildings been satisfactorily cared for by the owner, it would probably not have been necessary to erect new premises at all.

There is another reform which is urgently needed in connection with the assessment to property income tax. The tax under Schedule A should be graduated. If the total income is large, the tax should be proportionately heavier than that levied on the income of landowners whose interests in land are not so extensive. To tax a landowner at the rate of 1s. 2*d.* in the pound on an income of £5,000 may be just, but the same rate of tax on an income of £50,000 is absurd.

In order to effect this reform it would be necessary to call for returns of the entire incomes of landowners. This is equally necessary in connection with private incomes from railways and other industrial undertakings. But, in regard to income from land, the time has now surely arrived when the total annual profits derived by the landowners should be disclosed. Steps should be taken, as early as possible, to bring about this reform in future Finance Acts.

It is also necessary to put the assessment under Schedule B upon a sounder basis. At present a tenant farmer is assessed to income tax according to the rent paid by him. The assessment is taken

as one-third of the rent. If the rent is £480 or less, the farmer is entitled to exemption under Schedule B. In the event of the tenant farming well, so that his rent is increased, owing to the more effective cultivation of the soil, he at once becomes liable to income tax. A farmer should be put on the same basis as any other person. He should be requested to declare his profits, and be assessed thereon, if the amount exceeds £160 when averaged over a period of three years. It is true that farmers have already the option of electing to be assessed under Schedule D, but this is not generally known. It should be made compulsory in all cases. Schedule B might with advantage be dispensed with.

CHAPTER XXI

LAND TAX

THE present Land Tax is generally regarded by the enthusiastic land reformer as an injustice to the community. He points out what he considers to be the unreasonable basis of assessment, and fervently calls for a readjustment of the tax. In his opinion there is just ground for reopening the question of land taxation as distinct from other sources of income. This view proceeds from an erroneous idea of the origin and incidence of Land Tax.

The general reimposition of this tax, even if it could be proved that it would not be unjust to landowners, would be a serious economic mistake. It would not encourage the best use of land. On the contrary, it would create serious difficulties.

If it could be shown that a new Land Tax would be paid in all cases by landowners, the situation would be different. But on whom would the tax ultimately fall? It would, in most cases, gradually filter down to the occupier of the ground, whose rent would probably be increased in consequence of the additional levies by the State. No single taxer, indeed no member of the more moderate section of the advocates of the taxation of land values, is able to show how this can be prevented. It is a result which is bound to follow the adoption of additional land taxation, if it is substantial in amount. The occupier, already heavily burdened, would eventually have to shoulder the responsibility. The single tax theory may be dismissed as

impracticable. It would not be in the interests of the tenants of land or buildings; the full economic use of land would be substantially discouraged.

It would be interesting, perhaps, to examine the origin and incidence of the present Land Tax. It was first imposed in the reign of Henry II., doubtless for the purposes of war, but the assessment was not put on to a definite basis until the year 1692. In this year an Act was passed levying a charge of 4s. on the true annual value of all land and houses. The Act also levied a similar tax on certain forms of personal property or incomes, but the tax rapidly became an imposition on land and houses only. Parliament, in course of time, fixed the amount, or quota, which each parish was to contribute. This was most inefficiently done, and many inequalities arose out of the methods adopted. In the case of Castleton the quota required a levy of $\frac{1}{2}d.$ in the pound on the annual value, but in the case of Bury, in the same neighbourhood, a tax of 3s. 8d. in the pound was needed.

In the year 1798 the existing levies on land were made perpetual. The basis of assessment was, however, not revised, and the tax was charged on the actual yearly value of land in the year 1697—100 years previous. The quota in 1798, in respect of real property, was £1,857,536, which amount is only about one-twentieth part of the annual value of land at the present time. Land Tax has now been very largely redeemed, indeed, up to the year 1892, the sum of £855,966 of the quota had been commuted, leaving an amount of £1,001,570 as the net quota still levied as Land Tax. Furthermore, although the original levy was at the rate of 4s. in the pound on the annual value of land and houses, only about five

parishes in the whole country demanded this amount. In other parishes it was possible to raise the quota by levying a much lower rate of tax.

In view of the fact that until the year 1896 no change had been made in reference to the assessment of Land Tax, it could hardly be expected that inequalities would not be noticed. Where towns and cities had developed the presence of the tax was scarcely recognised, the amount of the tax being so small when compared with the value of the land. On the other hand, rural districts were unfairly taxed.

The Finance Act of 1896 contained provisions which were intended to redress the inequalities existing between urban and rural districts. These provisions granted a reduction to heavily-taxed rural districts, but the deficiency was not recovered from the owners of land in towns, notwithstanding enormous increases in the value of urban property. The difference had to be met by the general taxpayer. In this way owners of rural property were relieved by transferring some portion of their land tax to the community. The balance came out of the nation's purse.

The clause in the Finance Act of 1896, which gave this concession to landowners, reads as follows :—

“ The amount assessed in any year in any land tax parish on account of the unredeemed quota of land tax charged against that parish shall not, after the passing of this Act, exceed the amount which would be produced by a rate of one shilling in the pound on the annual value of the land in the parish subject to land tax, *and any excess above the said amount shall be remitted for that year.*”¹

From the standpoint of the community this relief was unreasonable.

In some parts of the country there exists a tax which is known as Double Land Tax. This tax

¹ Finance Act, 1896, section 31.

was assessed in the year 1692 upon estates belonging to Roman Catholics, who had declined to take the oaths required by Parliament. About a century later, in 1791, the tax was abolished as a double assessment, and the amount was then reassessed on the whole parish in respect of property subject to land tax. If a Roman Catholic was the owner of the entire parish, or the larger portion of it, he did not benefit thereby. The Catholic Emancipation Act of 1828, however, gave power to an aggrieved person to appeal to the Land Tax Commissioners to have the excess refunded, but, where land has been sold to a number of owners, it has been allowed to remain as a double assessment.

Those who advocate the reimposition of the Land Tax forget that the present Property Tax, under Schedule A, was levied in partial substitution for the Land Tax. The assessments to Land Tax were inadequate and unreasonable. It was necessary to resort to other methods of taxation to meet the necessities of the nation. Pitt, in the year 1798, made provision for the redemption of the old Land Tax, and at the same time he passed an Act which introduced a new Property and Income Tax. This new tax was based on fairer assessments. This fact should not be forgotten when it is proposed to tax land in excess of other forms of wealth.

Under the provisions of the Act of 1798 a very large amount of the Land Tax has been redeemed or commuted. It is now desirable that land-owners should be called upon to redeem the remainder of the quota within reasonable time. This Act gives power to an owner to redeem the existing Land Tax, upon the payment of a capital sum equal to thirty times the amount assessed upon the land, according to the last

assessment. The capital sum may be paid in one sum, or in four equal annual instalments of not less than £5 each, or by annual instalments of not less than £60 each, during any period not exceeding four years, but not exceeding sixteen years. Interest is to be paid at the rate of 3 per cent. per annum on the unpaid balances. The owner may also call for the amount of redemption money to be made a charge upon the land on submitting an application to the Commissioners of Inland Revenue. The same Act also granted an exemption in the case of land not having a greater annual value than £1, if the owners are in humble circumstances. By an Act passed in the year 1806 a similar exemption was granted in respect of lands, where the property, including tithes, belonged to Church livings, and where the total annual income did not exceed £150.

Before the year 1803 it was possible for landowners to redeem the Land Tax and henceforward collect the amount from their tenants. This was described as Land Tax redeemed, but not exonerated, and the easy terms available resulted in a rapid purchase of the tax by estate owners. In order to exonerate the land from the tax, it is necessary to pay the commuted difference between the tax now levied and the tax charged when the redemption took place. Probably very few cases of unexonerated Land Tax exist to-day, but it should be pointed out that where Land Tax remains, whether collected by the landowners or by the Land Tax Commissioners, it falls on the occupier, who has no power, in most cases, to deduct the amount from his rent as is the case with the Property Income Tax, or Landlord's Property Tax. If tenants have entered into a general covenant to pay all rates and taxes, they are responsible for the payment of Land Tax. It

is virtually an occupier's tax, although it more properly belongs to the landlord. If the tax is redeemed during the tenancy, the amount is recoverable in the form of increased rent.

It should be enacted that all tenants are, in future, entitled to deduct the Land Tax from their rents, and it should be declared illegal for a landlord to contract himself out of this liability.

Land Tax was at one time assessed either on the rateable value or on the gross value. In many cases, however, the Commissioners simply copied the assessments from year to year. The Financial Act of 1896 provided for the assessment of the tax on the annual value of the property, as ascertained for the purposes of Schedule A, under the provisions of the Income Tax Act, 1842. The same Act stipulated that in future the tax was not to exceed 1s. or to be less than 1d. in the pound. In parishes where the Land Tax, prior to 1896, had been assessed at a lower rate than 1d. in the pound, the persons assessable to Land Tax were, by the Act of that year, required to pay a higher rate. It was, nevertheless, provided that the excess over the amount of the quota was to be used in redeeming the quota. In these parishes the Land Tax will be gradually extinguished by the annual contributions of landowners or their tenants.

Having regard to the incidence of the Land Tax, and the special circumstances in connection with its assessment, would a reassessment be equitable? It is quite evident that it would be unjust both to landowners and their tenants. A new burden on land would be unreasonable, if other forms of wealth were not similarly taxed. The monopoly of capital is a more

“ far-reaching thing than the monopoly of land, and it seems for a number of people almost as limited as the

great land-owning class, a gross profit compared with which the sum of British lands is insignificant.”¹

To single out one class for special taxation would neither be reasonable nor equitable.

But even if it were just to reassess the Land Tax, could it be done? It must be remembered that nearly one-half of the old tax has been redeemed, involving a total capital outlay by landowners of about £25,000,000. If the State were to levy a new Land Tax on all land, it would be a great injustice to those owners who have already expended large sums of money in redeeming the old tax.

Quite apart from this injustice, the reimposition of the Land Tax, without proper safeguards in the interests of tenants, would seriously discourage the expenditure of new capital in the cultivation of agricultural land. Now that Land Tax is levied on the annual value of the property, and in nearly all cases is paid by the tenant, and not by the landlord, every act which tended to increase the productivity of the soil would bring additional taxation to the agriculturist. All taxes, be they large or small, which fall directly on industry, have a tendency to limit development and enterprise.

In addition, it is necessary to emphasise, once again, the unfairness of taxing land at a higher rate than the tax levied on other forms of income. It is true that land is the very basis of existence, but that is not a sufficient reason why incomes from other sources should have preferential treatment. If landowners are called upon to bear additional taxation, it should not be levied as a direct and separate tax on their estates, but in the form of an addition to the rate of tax under

¹ “Riches and Poverty”: L. G. Chiozza Money, p. 94.

Schedule A. The same addition would then apply to Schedules B, C, and D, so that all tax payers would contribute to national necessities in proportion to their total incomes, whether their wealth is invested in land or otherwise.

CHAPTER XXII

INHABITED HOUSE DUTY

THE Inhabited House Duty cannot be regarded as a burden on farmers, but in the case of town tenants it sometimes works unfairly. In the assessment of farmhouses no account is taken of the annual value of the land. Also, if the farmhouse, as distinct from other buildings, is not worth more than £20 a year, the occupier is not assessable to House Duty. The assessment to House Duty is confined to the annual value of the buildings occupied by the farmer as a dwelling-house. Buildings in towns where the annual value is £20 or upwards are exempted under certain conditions. In the case of private residences with grounds, the annual value of the land is included in the assessment, subject to exemption as regards land over one acre in extent.

House Duty, which falls on occupiers alone, is not an unreasonable tax in principle, but it is easy to show that there are good reasons for its modification. It is unjust to artisans who are compelled to reside in large towns, where rents are high in consequence of the price of ground and the enormous demand for houses. No provision has yet been made to discriminate between rents in towns and in the country. Whilst in the country districts it may be possible for the working population to obtain dwelling-houses at a rent not exceeding £20 per annum, it is a most difficult thing to find satisfactory accommodation in some towns and cities for that figure.

Although House Duty is virtually an income tax, it is not based on the income of the person who is assessed. The amount of the income has no connection whatever with the assessment for House Duty purposes. It is precisely in this connection that the incidence of House Duty requires to be modified. All taxes should be levied in accordance with a person's capacity to pay. The fact that a person in a large town is forced to occupy a house of £20 a year annual value should be no test of his power to pay House Duty. It is true that, speaking generally, it is *primâ facie* evidence of his *status*, but in numerous cases town workers are called upon to pay House Duty when their wages are no higher than those of workers in less populated districts. The tax only arises in consequence of the high rental values demanded by property owners for urban dwellings.

House Duty is an older tax than the income tax. It was first levied in the form of a Window Tax in the year 1784, when the duty on tea was reduced from 50 to 12½ per cent. In the year 1851 the window tax was abolished and the House Duty was assessed in substitution. At this time the window tax had been yielding a revenue of about £1,120,000 a year. It was found necessary to amend the tax in view of the tendency to reduce the window space in houses, with its baneful effect on the health of the people. House Duty was based on the annual value of the dwelling. In the year 1890 the duty was graduated, and the rate now varies from 3*d.* to 9*d.* in the pound, in the case of private dwelling-houses, and from 3*d.* to 6*d.* in the pound in respect of shops and other premises used partly for sleeping purposes. At present House Duty yields about £2,110,000 per annum.

In very few instances House Duty is assessed on farmers. It only exists where the holdings are large. In the case of substantial agriculturists, who occupy farmhouses of large proportions, House Duty cannot be said to be unreasonable. But where a farmer is unable to realise sufficient profit by reason of a high rent, or in consequence of the difficulties in marketing his produce, it is desirable that he should be relieved of the tax. The assessment to House Duty should be governed by the income of the tenant, and in all cases where the incomes of farmers do not exceed £160 a year they should be exempt, or, at any rate, entitled to claim the amount from Somerset House, in exactly the same way as it is possible to claim tax under the various schedules of the income tax. In the preceding chapter it was urged that Schedule B should be abolished, and, in substitution, it was suggested that farmers should be required to return their profits under Schedule D, as in the case of all other trading profits. If this were adopted, it would make it easy to obtain relief from House Duty, where profits did not exceed £160 a year. The loss to the revenue would be comparatively small, but it would give some relief, perhaps not very substantial, to those who are engaged in the cultivation of the soil.

In the same way it is necessary to take steps to remedy the injustice in regard to heavily-rented urban houses. There are thousands of ill-paid clerks in our large towns and cities who are obliged to pay House Duty in consequence of the enormous rents they are called upon to pay. In some parts of London it is an impossibility for a clerk to get suitable accommodation for himself and family except at a very high figure. The same is true of Liverpool, Birmingham, Manchester, Leeds, and other busy centres. If clerks move to

the outskirts it is often quite a difficult matter to secure a house where they are free from House Duty. In less thickly populated districts suitable houses can generally be found for less than £20 a year. In this way some workers have an advantage over their brethren in large cities, even though the wages of the latter are sometimes lower than the former—a fact of common occurrence. This injustice between the two classes of workers should be removed.

Perhaps the only way of remedying the injustice is to put the House Duty on an income basis. But if this is not done, it should be possible for all classes of tenants, urban and rural, to claim the return of the duty, if the incomes can be proved to be only £160 a year or less.

CHAPTER XXIII

RECENT LAND TAXES

THE famous Budget formulated by Mr. Lloyd George in the year 1909 introduced some novel features in regard to the assessment of land for the purposes of Imperial taxation. The violent opposition to his proposals, and the constitutional issue which the taxes involved, showed conclusively what an enormous power is afforded by the possession of land in this country, and also demonstrated how necessary it is to control land more effectively than is the case to-day.

Mr. Lloyd George instituted four more taxes on land—namely, Increment Value Duty, Reversion Duty, Undeveloped Land Duty, and Mineral Rights Duty. The increment value duty is now levied, subject to certain exemptions, on the occasion of any sale of land, or the grant under a lease for a term exceeding fourteen years, or on the occasion of the passing of any real property on the death of any person. The duty is at the rate of 20 per cent. on the amount by which the site value of the land exceeds the original site value. Reversion duty is calculated at 10 per cent. of the value of the benefit accruing to a lessor on the determination of any lease of land, provided the lease was originally granted for a longer term than twenty-one years. There are certain exemptions from assessment to reversion duty. The undeveloped land duty is assessed at the rate of $\frac{1}{2}d.$ in the pound on the site value, if land

“has not been developed by the erection of dwelling-houses or of buildings for the purposes of any business,

trade, or industry other than agriculture (but including glasshouses or greenhouses), or is not otherwise used *bond fide* for any business, trade, or industry other than agriculture."¹

There are certain reservations and exemptions in respect of reversion duty. The duty in respect of mineral rights is assessable on the rental value of all rights to work minerals, and on all mineral wayleaves, at the rate of 1s. in the pound of such rental value. The term "mineral rights" excludes common clay, common brick-clay, common brick-earth, or sand, chalk, limestone, or gravel, and there are also certain reservations as to the liability of mineral owners to assessment.

With the single exception that no provision was made to prevent these taxes from falling on the occupiers of rural and urban land, the impositions were not unjust or inequitable. If anything, they erred on the side of reasonableness. From the point of view of the community some have urged that they were insufficient in amount.

Perhaps the most important feature of the Finance Act, 1909-10, however, was section 26, which enacted that a valuation of all land in the United Kingdom should be made as on the 30th April, 1909. It was not so much the land taxes that were severely opposed by landowners as the State valuation of land. The new taxes were seized upon by those who were opposed to the Budget of 1909, but the proposed valuation struck terror into the minds of many of the large landowners in this country. The attack on the new methods of dealing with wealth in land originated with land monopolists.

Sufficient time has now elapsed to enable the community to form an opinion of the value, or otherwise, of the land clauses of the Finance Act,

¹ Finance Act, 1909-10, section 16, sub-section 2.

1909-10. On the whole the valuation of land has proceeded fairly satisfactorily. There have been very few objections to the values already arrived at by the Land Valuation Department. About four and a half millions of valuations have been arrived at, and over three millions of valuations are now fixed beyond doubt or dispute. Only 832 valuations have been challenged.¹ It is true that the amount of revenue from the new land duties has only reached the sum of £300,000, whereas the valuation of land has cost £1,393,000; but the revenue from land duties will rapidly increase, and will, undoubtedly, bring in a substantial return.

It has been contended that the new land duties have retarded housing. Some of the prominent opponents of these taxes claim that grave injury has been done to the building trade and small property owners. There is no large amount of evidence to support this contention. It may be that, in certain isolated cases, there has been some temporary interference with the development of building land and the provision of new houses, but this has been caused largely by the political agitation of certain land monopolists, and is not directly caused by the taxes themselves. The limitation on development is practically confined to the southern parts of England, and more particularly to the residential suburbs of London. Many regular investors in mortgages and financiers of builders in the south have turned their capital in other directions, in consequence of their confidence having been shaken by inaccurate statements which have been circulated by opponents of land legislation. There are now signs of a return to former conditions, even on the outskirts of London. Political agitation against the new land duties is

¹ Mr. Lloyd George in the House of Commons, April, 1913.

now considerably weakened ; the justice of the new assessments is beginning to be more generally recognised.

Shortly after the passing of the Finance Act, 1909-10, there was a substantial reduction in the number of new houses of a rental value not exceeding £20. This was only a natural result of the revision of land taxation. Taking the country as a whole, the building trade is to-day in a fairly prosperous condition. In March, 1910, the amount of unemployment in the building trade was 8·9 per cent. ; it is now 4·3 per cent.¹ This reduction is very substantial and a satisfactory result of three years' working of the Finance Act by which the new land duties were instituted.

Of the four new duties established in 1910 the increment value duty has been most prominently before the public, largely in consequence of the amount of the tax, and because the effect has been almost immediately noticed. The remaining three land duties will gradually increase in usefulness.

The increment value duty has been criticised by builders and others in view of the recent case, *The Commissioners of Inland Revenue v. R. J. Lumsden*, which was decided in the King's Bench Division on the 13th January, 1913. This case arose out of the assessment of a dwelling-house and shop sold by Mr. Lumsden, who is a builder in Newcastle-on-Tyne. On the 9th February, 1911, the property was provisionally valued under the Act as at the 30th April, 1909, at the sum of £625, after allowing for the cost of proposed roads and the capitalised value of the tithe. Mr. Lumsden was apparently satisfied with this valuation, because he did not raise an objection

¹ In March, 1913.

within the prescribed time. On the 23rd August, 1910, about five months previous to the valuation, Mr. Lumsden sold the property for £750, or an increase of £125 on the provisional valuation.

In due time Mr. Lumsden was assessed on a gross increment value of £125, the amount of duty being £25. This led to the action in the High Court, when the assessment was upheld.

This is the only instance of a builder having been assessed to increment value duty in respect of legitimate profits derived from building development. The judgment in the High Court is, however, likely to work unjustly in these cases, particularly in regard to small builders, if the Act is not amended. This result, it should be stated, was never contemplated by Mr. Lloyd George, every precaution having been taken, so far as the Government could foresee, to safeguard the profits of those engaged in the building trade.

In the light of its effect on the Lumsden case there is reasonable ground for amendment of the increment value duty so as to exclude the profits of builders. Most profits of this kind are the results of personal activity and enterprise, and not, generally speaking, due to the community. So long as the increment does not arise from the development of the town, and as a result of the presence of a large population, it should be free from assessment.¹

¹ Since writing the above, Mr. Lloyd George announced the intention of the Government to remedy this result by rendering builders' profits immune from increment value duty (April, 1913). The Revenue Bill, by which this amendment was to be effected, was, however, withdrawn in consequence of the attitude of certain groups in the House of Commons.

CHAPTER XXIV

PROPOSALS FOR NEW TAXATION

Now that the Land Question is being brought prominently before the public mind, many suggestions are being made in regard to the increased taxation of real property. These propositions are being put forward hastily, and regardless of the ultimate effect on the general prosperity of the nation. Little consideration is given either to the rights of landowners, or to the interests of those who are in the position of rent-paying occupiers of the soil.

We have already touched on the taxation of land, as distinct from other forms of wealth, in a previous chapter. It is now necessary to point out that the annual income from land is so absurdly small, when compared with the total annual profits from other sources of wealth, that it would be outside the limits of equity to add to the burdens on land, if equally additional burdens were not, at the same time, placed on dividends received from other investments. Let it be remembered that whilst the total national income is approximately £2,000,000,000, only a little over £100,000,000 is realised from real property in the form of rents. The remaining £1,900,000,000—truly an enormous figure—is derived annually from the profits of invested capital, *plus* earned incomes.

But this is not all. It is well known that real property cannot escape taxation; it is easily identified; there are certain methods of ascertaining the rent; it is not possible, in most

instances, to give a false return ; the assessor of taxes cannot easily be deceived. This, however, is not the same with personal income. The figure we have given is not, by a long way, the full income from invested funds. A very large amount of this income never comes to the notice of the tax assessor.

We are not concerned here with the methods to be adopted in order to prevent incomes from personal property escaping Imperial taxation. That question is an important one, but it has no bearing on the subject with which we are now dealing. What we have to consider is the question of the taxation of land alone, as distinct from other forms of wealth.

Is it desirable to add to the burdens of land ? Should land be further taxed, and not incomes from other investments ? These are matters that ought not to be overlooked in formulating future land policy.

The Single Tax proposition has been very strongly advocated in recent years. It is to be hoped, however, that no Government will make the mistake of adopting it. Nothing would be more disastrous. It would add materially to the burdens already borne by the users of land, whilst the best economic use of land would be discouraged.

It is the object of all those who advocate this proposal to concentrate all taxes on the value of land. If this were carried out in its entirety, it would mean that nearly 95 per cent. of the total national income would be free from taxation. The whole burden would fall on the remaining 5 per cent. of the national income, which is derived from rents of land and buildings. This is the policy advocated by Henry George, and it has many adherents in this country to-day.

The reason why this proposal has been so readily accepted, by some unthinking persons, is the belief that the taxation of land, however large, cannot possibly fall on the users of the soil. It is thought that this taxation, in all cases, is paid by the owners of land. This theory was defended by Ricardo. It was endorsed by John Stuart Mill, who stated that

“ a tax on rent falls wholly on the landlord. There are no means by which he can shift the burden upon anyone else. It does not affect the value or price of agricultural produce, for this is determined by the cost of production in the most unfavourable circumstances, and in those circumstances, as we have so often demonstrated, no rent is paid. A tax on rent, therefore, has no effect other than its obvious one. It merely takes so much from the landlord and transfers it to the State.”¹

Henry George fell into the same error in regard to the taxation of land. He contended that taxes, levied upon Land Values,

“ or, to use the politico-economic term, taxes levied on rent, do not fall upon the user of land, and cannot be transferred by the landlord to the tenant. However much economists may dispute as to other things, there is no dispute upon this point. Whatever flimsy reasons any of them may have deemed it expedient to give why the tax on rent should not be more resorted to, they all admit that the taxation of rent merely diminishes the profits of the landowner, cannot be shifted on the user of land, cannot add to prices, nor check production.”

The defence of this argument is the claim that landlords are, at the present moment, exacting the full rental value of land from their tenants, and that a tax on the rent would in no wise add to the willingness of anyone to pay more for the use of land. But in discussing this theory a good deal depends on the meaning of “ rental value.” If “ rental value ” means the return to a landowner,

¹ “ Principles of Political Economy ” : John Stuart Mill.

after allowing for reasonable profits due to the user of land, then many landlords are already receiving very much higher rents than they are entitled to. The profits of agriculturists are often known to be absurdly small, and out of all proportion to the rents paid to landowners. Hence, an amount is being paid annually by tenants in excess of the true "rental value" of the land they occupy.

How is this excess accounted for? It is, in a large measure, the burden of taxation which the owner has passed on to the occupier. Those who are directly concerned with the management of large estates in this country know that this is the result in the majority of cases. No opportunity is lost of transferring the responsibilities to other shoulders. The fact that the total rents of agricultural land apart from buildings have increased from £30,000,000 to £52,000,000 during the last hundred years, after making due allowance for increases in the capital value of land, shows conclusively that occupiers are bearing a heavy portion of taxation.

In the light of these facts, it is easy to see that the effect of the Single Tax policy on small house property would be most serious. If all incomes, by way of interest and dividends, were freed from taxation, the loss in revenue would have to be made good by the owners of land. This would be disastrous to small owners, especially artisans, who have acquired, or are in process of acquiring, the ownership of their houses by the financial aid of the various building societies. Many of these workers would be called upon to make good the deficiency in national taxation. All occupiers would bear national burdens regardless of their relative income.

Quite apart from the injustice of the proposal,

the Single Tax would prevent the full economic use of land. It would seriously add to the difficulties of occupiers in general. There is a great economic danger in transferring all taxation to land. Except in so far as the removal of taxes on buildings and other improvements is concerned, the policy of the Single Tax cannot be maintained in reasonable discussion.

If additional taxation is needed for Imperial or social purposes, it should be raised on incomes all round, regardless of the source of the annual wealth, subject, of course, to the existing provisions for exemption or abatement. Dividends should be taxed at the same rate as rents. There should be no great distinction between the two forms of wealth, so far as the national Exchequer is concerned.

But it will be argued that the freedom of buildings and other improvements from taxation would give a preference to those who have invested their capital in land development. This is true. Nevertheless, beneficial results would flow from this method. Land would be put to better use; development would be hastened; houses would be more plentiful; rents would be reduced; the erection of more beautiful buildings in main streets would be encouraged; users of land would no longer be taxed on their industry and enterprise; agriculturists would cultivate their land more vigorously.

In addition, it should be remembered that land and buildings are subject to rating for local purposes, whilst personal incomes are not so rated. If the latter continue to be free from rates, it would surely not be unreasonable to free buildings and improvements from Imperial taxes. On the other hand, if buildings and improvements are taxed, why should there not be a rating assessment on

personal incomes? We are not advocating a local income tax—there are many objections to such a proposal—we are merely pointing out how justice can be done to all classes of the community, and how land can be best utilised.

It will be easily seen, from what has been stated, that the taxation of land, on the basis of the Single Tax, would be contrary to equity.

One reform which should be made in taxation is the levying of ordinary income tax on fines received on renewal of leases. These should be taxed either as capitalised rent under Schedule A or as profits under Schedule D. It is true that a reversion duty is now levied on the value of the benefit accruing to a landlord by reason of the determination of a lease, but this duty is insufficient, having regard to the enormous increases in the value of land, which are created by tenants, or which are the natural result of municipal development and enterprise. Moreover, the reversion duty is not chargeable in respect of agricultural land, on the determination of a lease, the original term of which did not exceed twenty-one years. Reversion duty is now being evaded by the granting of leases of shorter terms than twenty-one years, which renders it all the more necessary to tax fines paid by tenants on renewal of their leases, unless, of course, the State makes it illegal to levy fines.

PART VII
THE SYSTEM OF RATING

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“Those who benefit by public improvements should contribute their fair share to the cost.”—The PRIME MINISTER, 26th February, 1906.

CHAPTER XXV

THE BASIS OF RATEABLE ASSESSMENT

SOME drastic reforms are certain to be made in our rating system in the near future. What these are likely to be it is impossible to forecast, but several suggestions may be put forward with a view to revising the incidence of municipal assessments.

A Departmental Committee on Local Taxation has been sitting since 1911. We are now awaiting the Report of this Committee. The question is becoming urgent. The subject of local and Imperial taxation demands serious consideration, in consequence of the increasing expenditure of local authorities for the purposes of police, education, highways, and poor relief. Some modifications are sure to be outlined in the forthcoming Report.

The basis of assessment to local rates is governed by the Poor Rate Act, 1836. Section I of this Act has laid down the rule that the assessment is to be the rent at which the property, *i.e.*, land and buildings together, "might reasonably be expected to let from year to year," less the cost of repairs.

This is applicable to all kinds of property in the country, whether used for the purposes of agriculture, or for the erection of houses or other buildings. If there is no rent paid, as frequently happens in the case of an owner occupying his own property, the valuer to the assessment committee fixes the assessment on the basis of a hypothetical rent. In all cases the rental value is the basis of assessment for local purposes.

Subject to certain cases where unfairness arises in the assessment for rating purposes, to which we shall refer in greater detail when we come to consider the necessary reforms in this class of assessment, the method of arriving at the amount of obligations for local purposes cannot very well be improved upon, so far as dwelling-houses are concerned. The rental value is a good indication of a person's ability to meet the expenses of local government.

An assessment on the rental value, however, often works unjustly in the case of tradesmen who occupy shop property abutting on main thoroughfares, where the rental value is considerably inflated in consequence of the limited supply of good trading premises, and on account of the unreasonable demands of landlords in the form of rent. Particularly is this the case in large cities and towns where the best shops are confined to certain districts. In these instances the rents are generally exorbitant, and, in view of the assessment for rating purposes being based on the rental value, the burden on shopkeepers is sometimes unreasonably heavy.

Many examples could be furnished to show the injustice of rating assessments as regards business premises. It will, perhaps, suffice if we mention two only; one in the West End of London, the other in the provinces.

A visitor to London would notice, on wending his way from Piccadilly Circus westwards, on the right-hand side of Piccadilly, a house, not perhaps of prepossessing appearance, but one occupying a large area of ground. It would be thought, by the unwary, that this building is not a residence at all, but on approaching the large iron gates he would see the coat of arms of a well-known duke. From the upper windows the owner enjoys a view

over Green Park, the latter being the property of the nation, and maintained out of the people's Exchequer. At the rear the private grounds of the duke in question extend for a considerable distance, until they join the private grounds of another extensive landowner, a marquis.

How is the noble duke assessed for the purposes of rating? The total area of house and grounds comprise 163,000 square feet. According to the assessment committee's valuation the property has a rateable value of £4,168. Running almost parallel with the residence of the duke in question, and not more than 30 to 40 feet distant, there is another piece of ground covered with buildings. The area is about 153,000 square feet. As a matter of fact, the frontage of this property to Piccadilly is even less than that of the nobleman's residence. The rateable value in the second case is, however, over £43,000—about ten times the rateable value placed on property immediately adjoining, although the noble duke's estate is 10,000 square feet larger in area.

The other illustration of the inequality in rating between a fully developed plot of ground and one which is only partly developed is taken from Cardiff. Here there is a castle belonging to a marquis who owns about 117,000 acres, some of which is valuable on account of its mineral wealth. This castle and grounds cover an area of 507,000 square yards. The whole of this estate is only rated on a basis of £924.

Adjoining the castle is the shop of a tradesman, a tailor, which, along with other property, covers an area of about 470 square yards. The rateable value of this small block of property is £947, a higher figure than that placed on the castle and grounds belonging to the marquis.

We have mentioned these two cases to show

that the present rating system is unjust to those who occupy land which has been put to its full economic use. It will be easily seen that a great change would be brought about, if the principle of the hypothetical rent were extended, so as to include the rental value of the land if it were fully developed.

Precisely the same injustice prevails in other parts of the country in regard to large houses and parks. A lower rateable valuation is fixed on mansions and large parks than would be the case if the land were put to more productive purposes.

This is proved by the fact that, during the last twenty years, many large houses, standing in their own grounds, have been specially reassessed. The result has been that frequent appeals have been made to quarter sessions by landowners to have their assessments reduced. Some of these appeals have succeeded; many have failed.

In numerous districts little change has taken place. Many glaring inequalities still exist. Why? The answer is to be found in the fact that landowners sometimes control the assessment committees and the benches at quarter sessions.

It is true that section 18 of the Union Assessment Committee Act, 1862, empowers any ratepayer, within the union, to lodge a notice of objection to the assessment of a landowner's house. But who cares to raise local enmities? Even members of assessment committees are not always willing to offend influential local property owners.

CHAPTER XXVI

REFORM OF RATING

THE statements in the preceding chapter regarding the incidence of rating have led us directly to the question of reforms in local taxation.

One of the first reforms in the matter of rating assessments should be that relating to sporting rights. At present sporting rights, when severed from the occupation of land and enjoyed by the landowner, are not separately assessed for rating purposes. In these cases, the rateable value of the land occupied by tenants includes the annual value of the landlord's sporting privileges. The effect of this is to throw the responsibility of paying the rates on to the occupier of the land. This liability is borne by the tenant, unless the owner has specifically entered into a contract with the occupier to pay the rates himself. This is not always done, and even in cases where the tenant has the right to be reimbursed by the landlord it is necessary for him to resort to the very unsatisfactory method of first ascertaining the separate value of the sporting rights, and then deducting the equivalent amount in rates from his next payment of rent. These requirements are often vexatious to tenants, and rather than take advantage of them they frequently bear themselves the cost of the rates on their landlord's sporting rights. The system should be abolished; the owner of the sporting rights should be separately rated, so long as the State permits such rights to exist.

Again, the Rating Act, 1874, only extends the liability of sporting rights to the payment of one-half of the poor rate. The annual value of these rights should be rated in respect of the full cost of all local services, the expenses of which are usually included in the county rate and levied with the poor rate. There seems to be no reason why sporting privileges should escape any portion of the rates required to meet the expenses of local government.

Furthermore, in arriving at the rateable assessment of the sporting rights, it is the practice only to take into consideration the quantity of game naturally found on the ground. No account is taken of the value of the enjoyment of the rights by the owner. The basis of assessment should be the hypothetical rent at which the sporting rights might reasonably be expected to let to a tenant. It is also the practice, in some parts, to deduct the wages of a gamekeeper from the rating value of the sporting rights. This is an unreasonable allowance when compared with other classes of assessments in town and country.

The time has surely arrived when it is necessary to examine closely into the operation of the Agricultural Rates Act, 1896. Has this measure been a boon to all agriculturists? It will be easy to prove that it has not benefited the farmers in most cases.

The Act was originally passed by a Conservative Government for a period of five years. It was renewed in the year 1901, under the Expiring Laws Continuance Act, for a further term of five years. Twice it has been continued, in the same way, by Liberal Governments, first in 1906 and later in 1911. The measure will expire in 1916 unless it is again extended. Provided steps are taken to establish a Land Court, in order to protect the

rights of tenants, it would be advisable not to renew the Act. In the main it has been of no economic value to the farmer; as we shall show by specific illustrations, the Act was, to all intents and purposes, a dole to landowners.

The ostensible purpose of the Act of 1896 was to exempt the occupiers of agricultural land from the payment of poor and other rates. This has not been the effect on very many large estates in this country. Almost simultaneously with the passing of the Act numerous landowners increased the rents of their farming tenants. This was done either by direct additions to previous rentals or by the immediate stoppage of allowances for agricultural depression, which had been granted for many years.

Let us take a few of the estates of a well-known duke in the North of England, in the management of which the author was concerned for many years. Prior to the passing of the Agricultural Rates Act, 1896, it had been the practice for some considerable time to grant an allowance of 10 per cent. of the rent at every rent audit, in order to meet the difficulties of farmers in consequence of agricultural depression. This allowance was made to all tenants on these estates, whether of farms or small holdings.

Immediately the Agricultural Rates Act, 1896, came into operation all the tenants were notified that the 10 per cent. allowances would be discontinued. Roughly speaking, the relief from one-half the rates under the Act was equal to the allowances in former years for agricultural depression. Under these circumstances not a single tenant of land benefited by the new legislation; indeed, the money went into the pockets of the landowner, and this is precisely the position at the present day.

This result of the Agricultural Rates Act, 1896, may not be true in every case in Great Britain, but there are comparatively few landowners in this country who have not taken advantage of the Act in the manner we have pointed out. If the Government, as it is hoped, were to set up some machinery for the judicial fixing of reasonable rents, so that farming tenants are safeguarded in every possible way, the Agricultural Rates Act, 1896, should be allowed to expire in the year 1916.

But not only is it desirable to discontinue the remission of one-half the local rates in respect of agricultural land, it is vitally important to revise the system of rating in urban districts. In the centres of large populations there is a great need for reform. The burden of local rating falls almost entirely upon occupiers. Notwithstanding the fact that the owners of land benefit by substantial increases in land values, as a result of municipal enterprise, little or nothing is contributed by ground landlords towards the expenses of local government. The whole value of socially-created wealth is enjoyed by those who do nothing towards the production of it. In most cases rates fall chiefly on improvements, and not on the value of the land.

Even in cases where the landlords nominally pay the rates under the compounding system, the burden is thrown by them on to the shoulders of their tenants. Some years ago the Borough of Bethnal Green increased the rateable values of certain tenement flats, on the ground that, since the old valuation had been made, the landlord had advanced the rent by an average amount of 5s. a week for each tenement. As soon as the new assessment came into force the landlord notified his tenants that in consequence of the increase in the amount of rates, he would be

obliged to raise the rent another 1s. a week per dwelling. The actual increase in the rates only amounted to about 6*d.* per house, so that the landlord not only transferred this burden to his tenants, but also made a profit on the transaction.

Similarly, in Bermondsey, the authority, some considerable time ago, asked for a return of houses where it was stated that the rents had been advanced "because of the rise in the rates." The period covered by the return was ten years, and it showed that, during these few years, the rents of some of the poorest houses had increased by an amount equal to more than 50 per cent. in excess of the increase in rates. Whilst there is no doubt that there would have been some increase in rents, owing to the general advance in the value of land, it was clear that, even if the rates had been stationary, landlords, in transferring the rates to their occupiers, had added considerably to the actual amount of the rates levied by the authorities.

The same results are experienced in most districts where landlords have compounded their property for the purposes of local rates. It is quite a general practice.

Perhaps another illustration from the author's own experience would be interesting. In a manufacturing town in the West Riding of Yorkshire there are a number of slum dwelling-houses belonging to a nobleman. They are in a shocking state of repair; many of them deserve nothing less than demolition. The rents average about 3s. a week, inclusive of rates; the occupants are miserably poor. About seventeen years ago the general district rate of the town was increased substantially. This increase was due mainly to various public works, including sewerage, gas and water works, as well as expensive street

improvements. The expenditure of ratepayers' money on these undertakings had, admittedly, caused the building estates belonging to the nobleman to rapidly increase in value. In consequence of municipal enterprise, the landowner was able to sell large tracts of land for the purposes of town development. The prices realised were, in every way, satisfactory. The town in question was a veritable gold mine to the nobleman.

It would, perhaps, be supposed that, in view of the high returns in capital realisations by the sale of land, the nobleman to whom reference has been made would not have attempted to transfer the increased rates on his slum property to his tenants. The amounts were relatively too small to hand on to others, it may be thought. Not so. As soon as the new rate was declared the rents of these miserable hovels were increased, in order to recoup the landlord for the payment of increased rates.

At the time the author made a careful calculation of the additional rates which were demanded from the nobleman by the local authority, which authority had done so much to enrich him. The increase in rates worked out at about 1*d.* per week for each dwelling. The rent of each tenant was increased 2*d.* a week; in a few cases the increase in rent amounted to 3*d.* a week.

A somewhat similar illustration has been furnished recently in the case of Wolverhampton; but here the increases are even less justifiable, because the rates in the pound are less to-day than they were seven years ago. In the year 1906 the rates were 10*s.* 1*d.* in the pound; they are now only 8*s.* 11*d.* Notwithstanding these facts, the landlords have combined with a view to increasing the rents of dwelling-houses, chiefly occupied by

the working classes, "in view of the increase of rates and taxes during recent years."¹ Other reasons given locally by those interested in land were the additional liabilities placed on landlords by the Workmen's Compensation Act, the Housing and Town Planning Act, and the doubling of the duty, in the event of sale, under the Finance Act, 1909-10. It would seem that every conceivable liability falling on the owner of property was to be transferred to the occupier—a valuable lesson for those who favour the Single Tax proposal.

We have drawn attention to these instances to demonstrate the necessity of reforming our rating system in such a way that tenants, urban and rural, should be protected from exacting and unreasonable landlords. There is no doubt that some portion of local requirements should be borne by occupiers in proportion to the benefits which each derives from local administration; but every precaution should be taken by the State against injustice being done to those who use land.

The law of landlord and tenant permits owners of property to throw the burden of sewers' rates, and sometimes increased rent in consequence of drainage works, on to their tenants. It is the regular practice to compel a tenant to enter into an agreement to "pay all rates and taxes." A prospective tenant has, of course, the right to refuse to enter into these obligations, but, in the majority of cases, tenants are compelled to fall in with the terms laid down by their landlords. In good neighbourhoods, where house or shop property is somewhat limited in extent, landlords hold a strong position. Tenants are, perforce, obliged to assume the obligations of their agreements. Sewers' rates and the cost of relaying

¹ Circular issued by Wolverhampton and District Property Owners' Association.

drains are liabilities which belong to the landlord. Mainly, however, these fall on the occupier. As a general rule, it may be taken that all rates fall chiefly on tenants, no matter what their character may be.

In this connection it is necessary to point out an undesirable system which has sprung up, in comparatively recent years, among the less responsible section of estate agents in this country. It is a system which, happily, is not resorted to by the more respectable class of estate agents, but, among some of the non-professional house agents, it is a practice which is rapidly growing.

Under this system an estate agent undertakes the entire management of property, chiefly small houses, and guarantees a fixed regular income to the owner, whether the property actually returns it or not. Under this arrangement an owner is freed from all trouble in regard to the collection of rents, repairs, and the general management of his estates. The estate agent agrees to charge no commission, and relieves the owner of all anxiety with respect to loss in consequence of empties.

In order to yield a profit to the agent, it is necessary, first of all, to cut down the repairs bill to its lowest possible limit. Ordinary maintenance of the property is neglected; the agent has no risk of loss; the owner is often unaware of the needs of his tenants. If rates increase, they are at once transferred to the tenants in the form of an increased rent, generally out of proportion to the additional rate. But this is not all. No opportunity is lost of increasing the rent, even though there may be no reason for doing so. The system works unfairly, because it destroys the relationship between landlord and tenant, which is so necessary in connection with the use of land or buildings thereon.

It has sometimes been suggested that rating reform should include some provision for the levying of rates on both landlord and tenant—that is to say, the costs of local government should be shared by landlord and tenant. It is difficult to see what advantages would be gained by instituting a method of this kind. The suggestion could not be easily adopted. There are, indeed, many objections to the idea. The chief drawback to the separate rating of landlords and tenants is the danger of seriously affecting the value of the Imperial income tax under Schedule A for revenue-producing purposes.

Some reform could, however, with advantage, be made in the methods adopted by rating authorities. At the present time both land and buildings are included in the assessments. In the case of agricultural land, the rateable values are all the higher if the property has been well farmed. If landowners erected more suitable buildings for farming purposes, their tenants were sometimes immediately penalised by the local assessment committees. Under these conditions improvements to land are subject to local taxation. In towns and cities, the more elaborate the buildings the heavier are the rates. In the case of factories and engineering works, the more costly the buildings, the more expensive the machinery, the heavier is the burden of local taxation on industry.

It is urgently necessary to relieve improvements of all kinds from rating assessments. The actual assessment should be levied on the land alone. It does not follow that this would work unjustly in the case of small house property, except, perhaps, in regard to dwellings near the centre of a large town, where land is more valuable than that on the outskirts. Generally speaking, under this

system an occupier would pay, approximately, the same amount in rates as at the present time. But, instead of being assessed on the land and buildings together, he would, in future, be rated on the land value alone.

This proposal has, however, been severely criticised by economists of repute. Mr. Chiozza Money, speaking in the House of Commons, on the 11th March, 1913, said :—

“ The rating of land values would have serious social effects. It would fill up the open spaces which were so valuable in towns *unless* special measures were taken to exempt them. Then what was to be done with mortgages? The greater number of the houses and business premises built in this country were built with borrowed money.”

The italics are ours. It would, of course, not be difficult to make satisfactory safeguards against the filling up of open spaces now belonging to the public, or land which might be acquired by local authorities for the purposes of public health in the future. This is a matter which can easily be arranged in any Act of Parliament. With regard to mortgages, it is difficult to see how they would be affected, because the rates would still be practically of the same amount ; they would still fall on the occupier. The only difference would be in the incidence. Land only would be rated ; buildings and all other improvements would be free from local taxation.

The rating of land only, whether built upon or not, in proportion to its value when fully developed would encourage the best economic use of the soil ; farm buildings would improve ; industries would not be penalised ; finer buildings in large towns and cities would be noticeable ; housing conditions would improve ; the building trade would be greatly stimulated.

Very often great discrepancies arise in connection with the value of land when rated by a local authority and the value of the same land when required for public purposes. In 1911 the Earl of Dysart, a large landowner, asked a price of £200 an acre for land required by the Surrey County Council for the requirements of the Small Holdings Act. This land was assessed for rates on a basis of £1 per acre annual value. Numerous examples, of a similar kind, could be quoted.

Where differences between the annual value and capital value are very great, it would be a distinct advantage if local authorities were enabled to levy an alternative rate on the capital land value, as distinct from the annual value. In these days when the cost of municipal services is becoming so heavy, and when new sources of revenue are being sought after, it would be an advantage if rating authorities were in a position to tap new sources of wealth, especially when such values are being created by the community. In the event of the present annual value of the land being out of all proportion to the capital value, in consequence of the limited use to which the land is put, a local authority should be empowered to levy this alternative rate on the capital land value.

Some reform is also needed in the method of assessing agricultural land, and also land occupied by market gardeners. The present system works unjustly as regards those who till the soil. Every act which tends to increase the productivity of the soil also tends to increase the burden of local taxation. In no other instance, probably, does the rating of improvements act so unfairly as in the case of cultivated land. It acts as a great discouragement in the best use of the soil.

This injustice can be best illustrated when con-

trusted with the increases in the rateable values of buildings in towns and cities. The value of the buildings themselves do not substantially increase, except in a few isolated cases. Generally speaking, the same buildings could be erected, at any time, for almost the same money as originally, making, of course, due allowance for the advance in the prices of building materials, and increases in the wages of persons engaged in the building trade. In most cases the value of the buildings depreciate year by year until they become practically useless. It is the land which rapidly increases in value. This increase is governed by the position of the land, having regard to whether it occupies a prominent situation, and whether there is a considerable demand for it. If the demand for sites is great, and the supply is limited, the price will be relatively higher.

This is not the case with arable or grass land. Except, perhaps, in cases where land is let as accommodation land to butchers, tennis, croquet, and golf clubs, the rates fall not so much on the site value of the land as on the land in its improved state. If a tenant cultivates his land well, he is rated directly on his improvements. If he were to adopt intensive culture, he would be assessed accordingly. A reform of rating in respect of cultivated land along these lines would greatly encourage the development of agriculture and market gardening.

Some steps should surely be taken, in the near future, to rate vacant land, especially land which is ripe for building purposes, and which is being held up by the owner in order to command better sale prices. There are good and equitable reasons why empty buildings should not be rated until a person enters into beneficial occupation. Instances where owners hold out for higher rents

of fully-developed property are very rare ; they are only too ready, as a rule, to find tenants. But in the case of vacant ground, there are no justifiable reasons why it should not be rated for local purposes. Measures must be adopted to prevent this class of property escaping its just liabilities for local rates.

The undeveloped land duty is not likely to compel landowners to make immediate use of their land. It requires some local influence to bring home to the minds of those who hold up their land the responsibility they owe to the community. A rate on land values, in respect of vacant land, would be a much more powerful stimulus in forcing building land into the open market than the undeveloped land duty, which, as at present assessed, is modest in amount.

In consequence of the freedom of vacant ground from assessment for local rates, a correspondingly heavier burden is thrown on the ratepayers as a whole. The community is compelled to find the money which otherwise would be contributed by the owners of undeveloped land. That the burden of rates on occupiers is becoming a matter of serious moment is, of course, generally recognised. The levying of rates on vacant undeveloped land would substantially diminish this burden, so far as the general body of ratepayers is concerned. The reduction of the rate in the pound, in some urban districts, would be considerable in amount.

The urgency of this question is becoming more pronounced year by year. Business undertakings are finding it increasingly difficult to cope with the ever-increasing burden of rates. The matter is now so urgent that numerous firms in London, Leeds, Birmingham, and other prominent commercial centres are seriously discussing the question

of removal to outlying districts. Many large businesses have already been transferred to other parts.

These facts prove conclusively that industries are penalised by the present system of rating, and they demonstrate the need of reform. If buildings and all other improvements were freed from rates, and if local taxation were placed on the value of land alone, the migration of industries would cease, and the difficulties of the labouring population would diminish.

We have been advocating, just now, the most satisfactory method of reforming our rating system. It is possible, however, that some conservative politicians would hesitate before adopting the proposals we have suggested. In this event it will be advisable to outline certain remedies which must be resorted to in order to do common justice to the ratepaying community.

In the first place some reform is needed in regard to the deduction from the gross estimated rental to cover the cost of repairs. Rateable value is, at present, arrived at by estimating the rent at which the property might reasonably be expected to let from year to year, and deducting therefrom a fixed amount to cover rates, taxes, repairs, and insurance.

Owing to there being no separate assessment of the land value and the building value, the allowance from the rent to cover the cost of repairs is governed by the rental value of the property, including land. In view of the fact that land requires no repairs in the same way as buildings, the method in vogue is not only slipshod, but likely to be unjust to some classes of ratepayers. For example, in towns and cities, where land values are relatively high, the allowances for repairs in respect of valuable properties near the

centre are much higher than they ought to be, having regard to the value of the building.

Let us take two plots of land of identically the same area and shape, one situate in the centre of a large town, the other plot near the boundary of the local authority. For the purpose of comparing the effects of rateable assessments under the present system, we will suppose that buildings, say large factories of exactly the same type, and of precisely the same cost, are erected on the two parcels of ground. The annual value of the property in the centre of the town will, obviously, be substantially higher than that of the property near the boundary. This difference in value is not, of course, due to a difference in the cost of the two buildings. The cost of building materials and the price of labour would be the same. The difference in value is due to the land alone, which land, in the one case, is near the centre of the town, where ground is more valuable, in view of its being in greater demand, and because it benefits to a greater extent from municipal services. In arriving at the rateable value the property in the centre of the town secures a higher deduction for the cost of maintenance and repairs than the property near the boundary, notwithstanding the fact that the annual expenditure in repairs is approximately the same in both cases. It is true that the rateable value of the first plot would be higher than the rateable value of the second plot, but it is only reasonable that this should be so in view of its position and land value. The injustice arises in the granting of an allowance for repairs, which does not coincide in amount with the allowance on the plot some distance from the centre of the town.

It is absolutely necessary that all deductions for repairs should be calculated on the annual

value of the building alone. Sir Lawrence Gomme estimated that, in the City of London, the amount allowed for repairs in rating assessments was £927,000. If this allowance had been calculated on the building value, apart from the land value, the deduction would only have amounted to £257,000. That is, in the City of London alone, the sum of £670,000, represented by the land value, escaped rating assessments in consequence of the careless method now adopted.

In recent years some assessment committees have begun to rate the machinery of factories and workshops. There are many objections to this course, even where rent is paid by occupiers for buildings and plant combined. It is a practice which is indefensible and inequitable. There are reasonable grounds for the immediate exemption of all machinery from liability to local rates.

The question has become most serious, from the standpoint of manufacturers, since the decision of the House of Lords in *Kirby v. The Hunslet Union*. This judgment was well defined, and it has had an important influence on the rating of premises containing machinery. It cannot be said that assessment committees all over the country act in accordance with the decision of the House of Lords; in many unions machinery is still free upon rating assessments. The lack of uniformity adds to the injustice of the practice between one district and another. In some neighbourhoods, where machinery is not assessed, manufacturers have an unfair advantage over manufacturers in similar undertakings, where the decision of the House of Lords is rigidly enforced.

Furthermore, new works are discouraged in towns where the Hunslet judgment is closely followed. Land which otherwise would be used

for the erection of new works, or the extension of existing businesses, has to remain for an unreasonable length of time either as vacant ground or used for less productive purposes. Sometimes the rating of machinery operates very unjustly between one district and another within the same city boundary. In the case of Leeds there is a marked difference between the methods adopted by different unions within the city limits. Hunslet and Bramley Unions adopt the rating of machinery pretty extensively, whilst Holbeck does not do so to the same extent.

The effect of the rating methods adopted by the Hunslet Union has been to force works out of that area into the immediate neighbourhood of Stourton, in the Rothwell Union. During recent years works have been erected beyond the confines of the city of Leeds. This has resulted in a loss to the ratepayers in Hunslet.

Precisely the same results follow the rating of machinery in other parts of the country. It has a tendency to force new works to districts where the assessment committees are not guided by the decision of the House of Lords in *Kirby v. The Hunslet Union*. Inasmuch as the assessment of machinery involves the rating of improvements, it is necessary to take steps to exempt machinery, whether fixed or loose. All rating should fall on land values alone.

In instituting rating reforms, it is also necessary to deal with the system of compounding for the payment of rates by the owner, in respect of small dwelling-house property.

According to the Poor Law Relief Act, 1601, passed in the reign of Elizabeth, the person to be rated was the occupier. In the year 1819 this liability in respect of small house property was transferred to the owner, in consequence of the

difficulties experienced in the collection of rates in populous towns, where the tenants were in the habit of quitting their houses in order to evade the payment of rates. With a view to compensating the owners of small dwelling-house property they were allowed a reasonable reduction from the rates.

The Poor Rate Assessment and Collection Act, 1869, now governs the amount of compensation to owners under the compulsory rating system of the Act of 1819. The provisions of the Act extend to hereditaments not exceeding a rateable value of £20 in the metropolis, or £13 if the property is situate within the borough of Liverpool, or £10 if situate in Manchester or Birmingham, or £8 if situate elsewhere. In order to obtain the benefit of the allowance, it is necessary for the owner of such hereditament to enter into an agreement, in writing, with the overseers to become liable for the poor rates assessed on the property, for at least one year, whether the hereditament is occupied or not.¹ The allowance under this agreement is 25 per cent. on the amount of the poor rates. In rural parishes owners may obtain, by a similar agreement, an abatement equal to 30 per cent. of the poor rate.

This practice of assessing the owner has also been adopted in the case of the general district rate, although this may be only done at the option of the council, where the rateable value does not exceed the sum of £10. For the purposes of the general district rate the owner is compensated by a reduction in the estimated rental of the property. The rateable assessment, under these circumstances, is not to be less than two-thirds, and not more than four-fifths of the net annual value.

¹ Poor Rate Assessment and Collection Act, 1869, section 3.

There are good reasons for continuing this system of compounding rates, but, from the standpoint of the occupier, it has many objections. Whenever the rates of a local authority are advanced, the owner, generally speaking, transfers the cost to his tenant in the form of an increase in the rents. There is always a temptation to increase the rents of small house property out of all proportion to the actual increase in the rates. The loss of 25 to 30 per cent. of the rates, as a result of the allowance for compounding, is a serious matter for some administrative bodies. The difference has to be made up by the general body of ratepayers.

In addition, the tenants of compounded property take little or no interest in local affairs. The fact that they do not, apparently, pay rates—the amount being included in their rents—does not encourage them to take an intelligent interest in their own local government. The lack of interest in the election of councillors, poor law guardians, and other public administrators is very largely due to the compounding system. In the area of the London County Council this has been noticeable during recent years. Probably the same remarks apply, with some amount of force, to parliamentary elections also.

The artificial increase in rents, resulting from the compounding system, is becoming a most serious one in largely-populated districts. Some owners take advantage of every possible circumstance, political or otherwise, to throw increases in rates and Imperial taxation on to the shoulders of the tenants of their property. Unfortunately, as increases take place in municipal expenditure, the amount is doubled, and sometimes trebled, before it reaches the occupier.

In face of these facts it is essential to ask our-

selves the question, Can these conditions be remedied? The author is of the opinion that the evil effects of the compounding system may be removed without loss to the community.

Having regard to the heavy loss on the part of the community, owing to the allowances of 25 to 30 per cent., it would seem to be advisable to give optional powers to all rating authorities to adopt the compounding system, in respect of the poor rate, just as they may do, under the Public Health Act, 1875, in respect of the general district rate. The responsibility of exercising the option would then fall on each individual local authority.

It would then be open for the administrative authority to consider whether it would not be more economical to collect the rates direct from the occupiers, say by monthly instalments. There is no doubt that the amounts now allowed to compounding owners would be more than sufficient to pay the salaries of one or more additional collectors, whilst the payment of rates direct by the occupiers would tend to revive a direct interest in local affairs. At any rate, the cost of collection would not be greater than the amount at present allowed on compounding, and it is certain that the tenants themselves would be safeguarded from many of the unreasonable exactions of unscrupulous landlords.

PART VIII
THE LAW OF LANDOWNERSHIP

“I think everybody is convinced that whatever other reforms we make in connection with land, they will only be hampered and hindered unless we deal with the simplification of title to land and the cheapening of its transfer.”—LORD HALDANE, in the House of Lords, 6th August, 1913.

CHAPTER XXVII

SYSTEMS OF LAND TENURE

IN this chapter, and in some of the succeeding chapters, we shall not indicate any reforms in the tenure of land, or in the ordinary relationship between landlords and their tenants. We shall confine ourselves to the law as it stands, setting out briefly, and in as simple a manner as possible, the conditions prevailing to-day in regard to the ownership of real property. For the convenience of those who are not versed in the law on the subject, legal phraseology will be dispensed with, except where it cannot be avoided.

The whole of the land in the United Kingdom, whatever may be the character of the tenure, is held of the Crown ; that is, no person can possess *allodial* property, or, in simple language, land in respect of which there is not a superior landlord. This superior landlord is, in all cases, the Crown.

In the thirteenth century, when the English law assumed definite shape, the system of *feudal* tenure, as distinct from allodial tenure, began to be recognised as the foundation of landownership. The principle was, however, to some extent, adopted in earlier centuries, and made substantial progress in this country after the Norman Conquest.

Under the feudal system the King is essentially the supreme lord. All owners of land are, technically, "tenants"; they cannot enjoy absolute and unfettered ownership of land. The State is in the position of being able to control the land, as

superior landlord, and enact whatever conditions on subordinate owners as may be necessary in the interests of the community at large.

One important, though ancient, statute relating to the ownership of land in England was that known as *Quia Emptores*, which took effect in the year 1290. It made it impossible for any new manor to be created, except by the Crown. No grant of a freehold estate could, in future, be made, unless the owner held direct from the Crown as superior lord.

It should be remembered, however, that, notwithstanding the fact that there is no allodial property in this country, the landowners are all-powerful in the use and appropriation of land, by virtue of the innumerable statutes which support private ownership. For all practical purposes the control of all land by the Crown, as superior lord, is ineffective, and perhaps purely sentimental.

Landownership has, at one time or another, consisted chiefly of three classes of tenure—viz., (1) *Knight Service*; (2) *Free Socage*; and (3) *Copyhold*. There are also two other classes of tenure, known to law as *Frankalmoign* and *Grand Sergeanty*. The tenure known as *Knight Service* does not now exist, except in the limited form of *Grand Sergeanty*. It will, perhaps, be interesting to consider briefly the nature of these different classes of land tenure.

Knight Service was a form of military responsibility to the King. At one time it was regarded as a most honourable distinction to hold land under this system. The conditions of *Knight Service* involved the duty of engaging in war, attendance in the courts of the superior lord, and the obligation to make money payments in certain events, known as *primer seisin*. The land reverted, or escheated, to the lord on the failure of heirs, and

there were other incidents of a less important character. When the military and other responsibilities increased by reason of the demands of the Crown, the owners asked for relief. The system of Knight Service was abolished, therefore, in the reign of Charles II., except the form known as Grand Sergeanty. The statute, 12 Charles II., cap. 24, converted the lands into Free Socage. It was at this time (in the year 1660) that landowners seized the opportunity of establishing the system of taxation by excise, thereby relieving themselves of their former military services and feudal dues to the Crown. From this time forward the community, as a whole, has been compelled to bear the military responsibilities of the nation by direct or indirect contributions to the national Exchequer.

To-day the greater portion of the land in this country is held under the system known as *Free Socage*.

The word "socage" has reference to some distinct form of service. This service, to-day, practically consists in nothing more than fealty, or swearing to be faithful to the Lord, generally the Crown. In actual practice this vow is never performed. Under the system of free socage the property, in the absence of a will to the contrary, generally passes to the heir. It descends always to sons before daughters, and the elder son takes title first. There are three varieties of Free Socage—namely, (1) *Burgage Tenure*, or Borough English; (2) *Gavelkind*; and (3) *Ancient Demesne*. We will proceed to describe the chief characteristics of these varieties of freehold tenure before dealing with copyhold tenure.

Burgage Tenure, or Borough English, is not very common. The essential difference between burgage tenure and free socage, pure and simple, lies in the descent. In the case of Burgage

Tenure, on the failure to dispose of the estate by will, the lands pass to the youngest son, on the death of the father. Borough English tenure is found in some ancient boroughs, or in their immediate vicinity, as well as in the areas of a few manors. According to Littleton, the custom arose on the ground that the youngest son was least able to make provision for himself after the decease of the parents. In a modified form the system is known to exist in other parts of Europe.

In the case of *Gavelkind* the lands fall to all the sons in equal shares, assuming, of course, the absence of other disposition by testament. If there are no sons, the estate falls to all the daughters as coparceners. This tenure is now mainly confined to the county of Kent, where, if the contrary cannot be proved, all real property is presumed to be held under the system of *Gavelkind*. In a few scattered parts of England the same conditions of land tenure are found. It is the only kind of tenure under which the law recognises the right of sons to an equal share of the property held by their father. It was the opinion of Coke that the custom originated in the principle of *gave all kinde*, from the Teutonic *gif eal cyn*, which meant the system which granted the right of succession in land in equal shares to all children, whether sons or daughters. In the event of default of lineal issue, the property passes to the brothers of the last holder, also in equal shares. Until the Conquest the custom was general in this country, but the introduction of feudai incidents led to the partial destruction of the system, and encouraged the setting up of the custom of primogeniture.

In Wales the system of *Gavelkind* was abolished by an Act passed in the time of Henry VIII.

By means of the provisions of another Act of Parliament it is possible to disgavel lands anywhere in the United Kingdom, where this system of tenure still exists.

Ancient Demesne is a tenure to be found in the case of certain socage lands, held of manorial estates, which became Crown property at the time of the Norman Conquest. They are referred to in the *Domesday Book*. The owners of these lands enjoyed peculiar rights, and were originally free from tolls, duties, juries and other responsibilities. This class of tenure is sometimes designated *Customary Freehold*, and has some relationship to copyholds proper. A conveyance of the land in ancient demesne may, however, be made under common law, without the necessity of passing through the court of the manorial lord.

Tenures by means of free socage are of two kinds, namely, freehold estates of inheritance and freehold estates not of inheritance.

Freehold estates of inheritance exist either as Fee Simple or as Fee Tail. *Fee Simple* estates are estates which a man is capable of holding to himself and his heirs in general. *Fee Tail* estates are estates which a man may hold to himself and to the heirs of his body, or to particular heirs of his body. They may be held in tail male or tail female. In the case of an estate held in Fee Simple the owner is absolutely unfettered in the use or disposition of it. In the case of an estate in Fee Tail the owner has only a limited power in disposing of the property.

Freehold estates not of inheritance are estates which are merely held for the lives of individuals, who are called, in English Law, tenants for life. Estates of this kind may be created by the act of party, or by the ordinary operation of the law,

in certain circumstances. If created by the act of party, the estate must be created by deed. It may be for the life of the tenant, or for the life of another person, *i.e.*, tenant *pur autre vie*, or for more lives than one. Freehold estates may be created by the operation of the law in three ways :—(1) Tenancy in Tail, when possibility of issue is extinct, and where the successor has practically the same powers as an heir of the previous tenant for life would have had ; (2) Tenancy in Dower, the estate which a woman may have in the real property left by her deceased husband, generally one-third of the value ; (3) Tenancy by Curtesy, an estate which a man may have in the real property of his wife, and which was acquired during her marriage, if he has heirs by her who are entitled to inherit the estate.

Mention should here be made of certain forms of landownership known as *Undivided estates*, of which there are three varieties, Joint Tenants, Tenants in Common, and Coparceners. Joint tenants are, to all intents and purposes, partners, but there is the benefit of survivorship, when, in the event of the decease of the other joint tenant or tenants, the estate falls to the survivor absolutely. Joint tenants hold the title to their estate in one right. In the case of tenants in common each tenant owns a separate portion of land, which is held under a separate title, but the estate is undivided. Coparceners may be said to be of a character between the two. There is, however, one title, and no tenant may enjoy the benefits of survivorship.

Having now considered the incidents of freehold tenure, we proceed to describe the system of *Copyhold Tenure*, which has been dealt with, to some extent, in a previous chapter. The essential

qualification for a parcel of land to be of copyhold tenure is the fact that it must be, or at some time have been, connected with an ancient manor. If the land has never been connected with a manor it cannot be copyhold. The holding of property under this form of tenure is governed by the customs of the manor, of which it is a part, which customs may have existed from time immemorial. It may be briefly stated that there are three distinct varieties of copyhold tenure, namely, Customary Freeholds or Customary Hold, Tenant Right estates, and Copyholds proper.

Customary Freeholds, or Customary Holds, are those lands which still remain as parcels of manors, but which are not held at the will of the lord. The tenure is, however, governed by the ancient customs of the manor. *Tenant Right estates* are similar to customary freeholds, but are confined mainly to the northern parts of England. *Copyholds proper* differ from the two previous varieties in that they are held at the will of the lord, according to the custom of the particular manor. Each copyhold proper is held by Copy of Court Roll.

Before a copyholder can convey his holding to another person he must first surrender his estate to the manorial lord, and the latter, before making a new grant to the purchaser, is entitled to levy what is known as a customary fine. All mines and minerals, as well as timber-like trees, belong to the lord, notwithstanding the trees have been planted by the copyholder. Where copyholds can be proved to be held for lives only, the lord has power to obtain full possession, when the lives have ceased. The freehold title is, of course, vested in the lord, and this remark applies to customary freeholds and tenant right estates, as well as to copyholds proper. Important decisions have been

given in courts of law on this point in favour of manorial lords.

Lands held by Copy of Court Roll are subject to various services and obligations on the part of the copyholder, the most important of which are as follows :—Suit of court, compelling the tenant to serve at the lord's court ; fealty, an undertaking to be faithful to the manorial lord ; service on the homage jury ; payment of a fine on admission as a copyholder and, in some instances, when the lord dies ; heriots, the right of the lord to seize the best beast for his own use ; reliefs, similar to fines, and which are payable upon inheritance ; quit rents, or rents of assize, due yearly to the lord ; liability of forfeiture, if the copyholder should use his property in a wrongful manner, or if he should neglect to be present at the manorial court, or if he should fail to perform other obligations ; escheat, the right of the lord to take possession of the estate if the copyholder should die intestate. Generally speaking, these services are commuted on copyhold estates.

Copyholds may be enfranchised, under the provisions of the Copyhold Act of 1894, by voluntary enfranchisement at common law, or by voluntary agreement between the lord and tenant, or by compulsory procedure. The latter is the course generally adopted, and the proceedings are begun by the service of a notice by either the lord or the tenant, a copy of which must be deposited with the Board of Agriculture. A lord has the power, under the Act, to prevent the enfranchisement of copyhold land, if he is able to show that the enfranchisement would be prejudicial to the use and enjoyment of the manorial house and grounds. If the enfranchisement takes place, the Board of Agriculture is responsible for awarding the amount of compensation to be paid to the lord

by the tenant. In the event of the enfranchisement being effected voluntarily, it is necessary, in certain cases, to lodge a notice with the person who is entitled to the next estate of inheritance, in remainder or reversion, unless the copyholder has agreed to bear the whole of the costs of the enfranchisement. Questions also arise in cases where settlements and mortgages exist, which involve technicalities of a legal character.

The system of *Frankalmoign*, or Free Alms, is, strictly speaking, a form of ecclesiastical tenure, as distinct from the lay tenures, which have now been described. Under this system lands were assigned for the endowment of the Church, and were to be held by that body for particular purposes, such as the making of

“ orisons, prayers, masses and other divine services for the souls of their grantor or feoffor, and for the souls of their heirs which are dead, and for the prosperity and good life and good health of their heirs which are alive. And therefore they shall do no fealty to their lord, because that this divine service is better for them before God than any doing of fealty.”¹

Monasteries held lands under the tenure of Frankalmoign. When the tenure of Knight Service was abolished, in the reign of Charles II., the system of Frankalmoign was allowed to remain. In consequence, ecclesiastical corporations and other institutions owned their lands under this class of tenure. All property held as Frankalmoign must have been granted previous to the passing of the Statute of *Quia Emptores*, in 1290, as, since that year, it has been impossible for any person to make grants of land in this form.

Tenure by *Grand Sergeanty* is a most honourable form of landownership, and entitles the holder to discharge certain services at coronations or at

¹ Littleton, section 135.

Court. The duties are not akin to those that existed under the tenure of Knight Service, being more of a personal, rather than of a military, character. Instances of tenure by Grand Sergeanty are, of course, not numerous. Notable instances are the estate of Stratfield Saye, owned by the Duke of Wellington, and the manor of Woodstock, belonging to the Duke of Marlborough. The service required in the case of the Duke of Wellington is the presentation to the King of a flag, bearing the national colours, on the anniversary of the Battle of Waterloo. On the anniversary of the Battle of Blenheim the Duke of Marlborough is to render the service of presenting the King with a French standard. Other services required by holders of land by Grand Sergeanty are the carrying of the King's banner, or acting as marshal, or leading an army, or serving as carver, butler or chamberlain. Grand Sergeanty does not exist in Scotland, but a service somewhat akin to it is the tenure of land known as *Blanch Holding*.

CHAPTER XXVIII

FORMS OF LAND TENANCIES

It will hardly be necessary to deal with the simpler forms of tenancies, such as ordinary weekly or monthly agreements. Reference will only be made, in general terms, to the nature of agricultural tenancies, and leases of town and city property.

In the case of agricultural agreements for the occupation of land and farm buildings the tenant's interest is, of course, limited to the conditions of his tenure, supplemented by certain legal enactments, which grant to tenants the right to unexhausted improvements, in the event of the determination of his tenancy, either by notice served on the landlord, or *vice versâ*. Strictly speaking, the tenant has nothing more than a chattel interest in the property which he occupies. If he should carry out improvements which do not come within the scope of the Agricultural Holdings Act, 1908, he does so at his own risk, and cannot claim compensation for his industry, or outlay of capital, when he comes to deliver up possession of the property. In cases where the State has given the farmer the legislative right to his own improvements he may probably be precluded from securing payment for the unexhausted value, if he has neglected to comply with certain statutory requirements, such as serving a notice on the landlord before executing works which necessitate such notice in the first instance.

Agricultural tenancies are also governed by

what is known as "the custom" of the country. This custom varies considerably. The practice in one county may be of a totally different character from that prevailing in the adjoining county. Sometimes different customs are to be found in the same county area. These customs are all to be read into the conditions of tenure as expressed in the formal agreement. Tenancies of this nature have many implied responsibilities which the tenants are called upon to recognise.

As regards the notice to quit, in the case of yearly tenancies, which are much more common than leases, it is necessary to give twelve months' previous notice in writing, such notice to expire on the anniversary of the day on which the tenancy commenced.

Leases are governed, chiefly, by the covenants entered into by the parties. They are for a definite term of years, and come to an end by the effluxion of time, that is, no notice to quit is necessary. The leases may be of so long a duration, say 999 years, as practically to amount to a freehold interest, subject, in most cases, to some prescribed annual payment as ground rent. There are some very rare cases of leases, having long terms to run, where no annual ground rent is paid. Generally speaking, however, it may be taken that the ground landlord has reserved some fixed sum, which if the lessee failed to pay, after sufficient notice, would cause the lease to be broken, the land, with buildings thereon, reverting to the owner of the ground.

It may be interesting to consider what covenants may be included in leases. These covenants may be of an ordinary character, such as appear in most tenancies, or they may be of a special or peculiar nature. The former generally cover the right of the landlord to the payment of

rent on specified dates in each year ; the use of the property for a certain purpose only ; and the prohibition of sub-letting without consent. The special covenants may be of a most restrictive character, and may prevent a lessee from making alterations, either internally or externally, though these may be useful and necessary for the tenant's purposes. If the leasehold interest has passed through several hands in the course of years, it may be impossible to carry out alterations, or erect new buildings, without first obtaining the consent and approval of all parties, including the ground landlord.

In addition, there are "implied covenants," entitling the landlord, on the one hand, to reasonable and tenant-like use of the property, and entitling the tenant, on the other hand, to quiet, uninterrupted possession. Also, some covenants will "run" with the land, that is, they must be obligatory on all subsequent leaseholders who acquire an interest in the property.

As a rule, lessees are responsible for all rates, taxes, or other impositions, landlord's property tax excepted. They are also frequently liable to maintain the property under what are known as "repairing leases." Insurance must be taken out against loss by fire, and the premium must be paid annually by the tenant. Failure to do so would render the lessees liable to rebuild the premises, and might endanger the continuance of the lease.

Sometimes a lessee is granted the right, at his option, to break the lease. In this event the tenant may relieve himself of future liability, if he wishes to do so, by serving a notice on the lessor to determine the lease. This is usually fixed at the end of the seventh, fourteenth, or twenty-first year. This notice would, however,

not free the tenant from liability for dilapidations incurred previously to his delivering up possession.

On the expiration of the leasehold term the property, together with the whole of the buildings and improvements (agricultural leases excepted), reverts to the landlord, who is entitled to become the legal owner, even if such buildings and improvements are in existence by virtue of the act of the tenant alone. If the ground landlord is the owner of the whole town—and one notable case, at least, could be cited—he would become, in due time, the undisputed possessor of the public highways, sewers, gas plants, and other works of public utility. With very few exceptions, everything reverts to the owner of the ground, upon the expiration of leases, if so affixed as to become part of the freehold.

In the eyes of the law there are two other forms of tenancy, unimportant in character and of rare occurrence, namely, a tenancy at will and a tenancy by sufferance. A *tenancy at will* arises when a tenant continues to hold the property after notice to quit has expired, or, in the case of a lease, when the lessee remains in possession after the end of the agreed term of years. A tenancy at will is, of course, for no definite period, and can only exist at the will of the landlord. A yearly tenancy, in some cases, would be implied if a rent were tendered by the occupier and accepted by the owner.

A *tenancy by sufferance* is set up when a tenant continues to hold the property after his interest has ceased, or when a sub-tenant remains after the interest of the lessee, from whom he holds, has come to an end by the effluxion of time. Cases of tenancies by sufferance may also arise if a tenant remains in possession after the death of the person for whose life he held the property.

CHAPTER XXIX

THE RIGHTS OF LANDLORDS

THE rights of landlords, in addition to being well guarded by statute law, are strongly supported by implication. A good deal may be read into a contract of tenancy which would not be possible if common law, and the general custom of the country, so far as agricultural tenancies are concerned, did not operate so powerfully in the relationships between landlords and tenants. Considerations of space will not permit of more than a brief outline of matters of general interest to students of the Land Question from the economic standpoint.

In the first place, the creation of a tenancy of land, with or without buildings thereon, implies the right of the landlord to expect the tenant to make a reasonable use of the property in accordance with the general intentions of the owner, when agreeing to let the estate. As a matter of fact, the tenant, by implication, undertakes to occupy the property in fair and tenant-like manner.

Where the land is let for agricultural purposes there is, even in the absence of express covenants, an implied obligation on the farmer to till the land in a good, husbandlike way. As we have already stated, this implication is so wide as to comprise the general custom prevailing in the particular district.

The landlord has also the right to expect that the tenant of rural or urban property will not commit either voluntary waste or permissive waste. Voluntary waste, in legal discussions, is

understood to include an act, or acts, which the tenant, by law, statutory or otherwise, is prohibited from doing. Permissive waste is understood to include the neglect of the occupier in permitting something to happen to the property, which he is obliged to prevent.

Voluntary waste would be caused if the tenant removed fixtures which, by law, had become the property of the landlord, where such removal caused injury to walls, floors, or wainscots. If any alteration were made in the elevation of the premises without consent, such as the breaking out of a new door or window, this would constitute voluntary "waste," even though the value of the buildings were improved. These acts would render the tenant liable to an action for the recovery of damages. Tenants for life are liable for voluntary waste if they cut down timber in excess of their reasonable needs, or if they destroy buildings or heirlooms, or if they open mines or quarries.

As regards permissive waste, this will arise if the tenant allows buildings to fall into disrepair when he has covenanted to maintain them in good condition. If the premises were old when the tenancy commenced, the fact would, of course, have to be considered in estimating the waste caused by the tenant. The occupier is not, nevertheless, liable for natural decay during the effluxion of time, though he would be liable to rebuild the premises, in the event of destruction by fire, if the usual covenants of a repairing lease had been entered into. A tenant for life may be also responsible for permissive waste arising out of neglect to sufficiently maintain the property. A claim for waste, in agricultural tenancies, may be made if the land has not been farmed in accordance with the custom of the particular neighbourhood. In most leases there is a condition granting the

right to the landlord, or his surveyor, to enter on the premises, with or without notice, for the purpose of viewing the state of repair and, if required, calling for remedy.

Landlords have the right, either by law or by virtue of the terms of the agreement, to expect that their tenants will pay certain impositions, due in respect of the property let, for local or Imperial purposes. The only exceptions granted by law are the landlord's property tax and tithe rent-charge. These fall on the owner. If property tax is assessed on the tenant it is always recoverable from the landlord. A covenant, on the part of the tenant, to pay the property tax would be void at law; the tenant cannot contract himself out of the statute. If, however, the tenant agrees to pay all rates and taxes he will be liable for the payment of the old land tax, unless such tax has been redeemed. A covenant to pay rent "free from all deductions" would entitle the landlord to expect his tenant to pay a sewers' rate, unless, of course, the Commissioners decided to assess the owners direct. In the event of new land taxes being assessed, a general covenant, on the part of the tenant, to pay taxes would oblige him to bear the cost, assuming the State made no provision otherwise. Local impositions, such as county rates, poor rates, and general district rates, as well as the Imperial tax known as House Duty, are due from occupiers. In the case of small dwelling-house property which has been compounded, the landlord is called upon to pay the rates, but he has the right to recover the amount from the tenant in the form of an increased rent.

The law has also endowed the landlord, either by implication or by express enactment, with the right to insert restrictive covenants in contracts of tenancy. These covenants are, however, chiefly

confined to leases of urban land, though shorter tenancies are frequent where the tenant is called upon to submit to limitations in the use of the property. Many of these covenants are reasonable in the interests of adjoining occupiers, such as the prohibition of offensive trades, and particular acts which may result in the depreciation of surrounding property. The owner may also bind the tenant not to use the premises as a public-house, or as a shop, with or without an off-licence, and may prevent the tenant from assigning or sub-letting without first receiving his consent. Covenants binding the lessee to insure the buildings against loss by fire appear in nearly all leases; there is, in fact, no real limit to the right of the landlord to the insertion of restrictive covenants in tenancy agreements or in leases.

If rent is in arrear, the landlord, as is well known, has the right to levy distress for the recovery of his rent with costs. This right is, however, limited to six years' rent, in the case of ordinary tenancies, and to one year's rent in the case of agricultural tenancies. Under certain conditions a mortgagee may distrain on the tenant instead of the landlord proper. There are, of course, certain goods exempt from distress, which cannot be dealt with here, and the tenant has also certain remedies in the event of wrongful distress.

On the determination of the tenancy the landlord becomes entitled to fixtures, even though these have been added at the expense of the tenant. Anything that has been attached to the premises, in such a manner as to become a part of the property itself, cannot be removed by the tenant, unless there is some express provision in the agreement to the contrary. If, however, certain things have been affixed for

ornamentation, or for the occupier's particular trade or business, they may be taken away by him, if they have not been substantially attached to the soil or to the building. Trees and shrubs, when planted by the tenants, are at once part of the freehold, and cannot be removed, in the absence of previous agreement to the contrary.

Special protection has been given to tenants of agricultural premises regarding the removal of fixtures, to which attention will be drawn in the next chapter.

Under certain conditions a landlord has the legal right to claim double rent, if the tenant stubbornly holds over. If the tenant remains in possession after the owner has demanded an entry in writing, the occupier at once makes himself responsible for twice the yearly value of the property. This would not apply if the tenancy had been for a period less than a year. In the event of the tenant remaining in occupation after he has given notice to quit to the landlord, he would be liable to be distrained upon for double rent, if he allowed the rent to fall into arrear. This right on the part of the landlord may be said to apply to all tenancies, whether weekly, monthly, or yearly. The right is only waived when the landlord has accepted a further payment of rent.

If the tenant refuses to deliver up possession when the tenancy ceases, the owner may take action for the repossession of the property in the High Court, *i.e.*, action for ejectment, or, if the rent does not exceed £50, by action in the county court. If the rent does not exceed £20, it is possible to obtain a warrant for the recovery of the premises from the local justices.

The right of entry in case of breach still exists, though this has been limited by statute. A

wrongful act on the part of the tenant may render a lease void, and of no effect, at the option of the landlord. If the lessor should accept payment of rent, the forfeiture would be waived. The *Conveyancing and Law of Property Act, 1881*, section 14, made it compulsory on the landlord, before exercising his right of forfeiture, to serve a notice upon the lessee, specifying the particular breach complained of, and, if the breach is capable of remedy, requiring the lessee to remedy it.

Until this is done the right of re-entry or forfeiture is not enforceable by action or otherwise. This applies to all leases, and contraction out of the statute is invalid.

The law of landlord and tenant in Scotland differs, in certain details, from the law in England and Wales, but it is not necessary to make reference to these here. In Ireland the law practically coincides with the English law, though the Irish Land Acts have somewhat altered the former conditions in that country with reference to the occupation of land by agriculturists.

CHAPTER XXX

THE RIGHTS OF TENANTS

MANY Acts of Parliament have been passed, during the last thirty years, with the intention of protecting the interests of tenants of land and buildings, but their rights, as prescribed by statute law, are still very limited. Notable strides have, of course, been made in regard to agricultural tenancies and land let for the purposes of market gardens, and reference will shortly be made to various Acts of Parliament which have extended the legal rights of this class of tenant. Before doing so, however, some other points will be mentioned.

All tenancies carry with them certain rights which common law will interpret with the agreements. There is, first of all, the tenant's right to quiet and uninterrupted possession of the property. Common law furnishes all that is necessary in this respect; an express covenant for quiet possession in the agreement may even diminish the rights of the tenants, as understood by common law. Again, the law implies that the owner is under obligation to protect the tenant from eviction or disturbance by a third party claiming under the landlord. This legal right is not of any practical importance to the tenant.

In the preceding chapter, when discussing the rights of landlords, mention was made of the tenant's right, in the case of leases, to a statutory notice before his lease may be rendered void, by reason of his failure to comply with the covenants into which he has entered with the landlord.

This is a valuable right, and an effective safeguard against malicious action on the part of the lessor, who, otherwise, would be able to bring a lease to an end on the most trivial omission of the tenant. Before rendering a lease void and of no effect, the *Conveyancing and Law of Property Act, 1881*, section 14, has made it obligatory on the lessor to give twenty-one days' notice in writing, so as to give the lessee the opportunity of remedying any breach which he may have unintentionally committed. This section is a valuable protection from the standpoint of the tenant.

The English law grants the right of *emblements*, in the case of a tenancy of land of uncertain duration, if the tenancy is suddenly terminated by the death of the tenant; or if the tenancy is brought to an end by an event, or events, over which the tenant has had no control. The tenant, or his personal representative, may enter for the purpose of cutting and removing crops when they are ripe, if such crops are the result of seed sown by the tenant, or if they are the outcome of the tenant's industry in manuring and tilling the soil. The right only extends, however, to such crops as are customarily produced annually, such as corn, roots, clover, hops, hemp, flax, and other similar commodities; but not the fruit of trees or the produce of land under permanent pasture. This privilege does not give the tenant the exclusive possession of the property, but only such right of harvesting as may be reasonably necessary.

It should be stated that tenants of land have, since 1851, had the statutory right of remaining in occupation during the current year of the tenancy, notwithstanding the unexpected determination of the tenancy, and this statutory right gives all that the tenants would have enjoyed under the former rights to emblements. Farms, and, as a rule,

all cultivated lands, are let at a period of the year when the tenant may be said to have gathered the greater part, if not the whole, of the products of his labour. The new tenant generally, enters when the ground has to be prepared for the new crops.

The legal rights on the part of a tenant of property, not used for agricultural purposes, to the removal of fixtures is involved in considerable doubt. It depends largely on the circumstances of each particular case. If the fixtures are merely ornamental and necessary for the tenant's convenience, they may be removed, provided that the fabric of the building is not seriously disturbed. Fixtures let substantially into the ground, or annexed to the freehold, are irremovable. In the case of trading premises tenants have a little more freedom in removing fixtures. Furnaces, engines, and machinery are removable, so are shop fixtures and fittings, though they may have been substantially attached to the property.

As regards agricultural tenancies, the law has given the tenant, under certain conditions, the statutory right to remove fixtures. This right was originally granted in 1851, although in a limited form. Previous to the Act the custom of the country governed the question. The Agricultural Holdings Acts, 1875, 1883, 1900, and 1906, considerably extended the right, and the ownership of fixtures is now governed by the consolidating Act of 1908.¹

The Act of 1908 provides that any

“ fixture affixed to the holding by the tenant, and any building erected by him thereon for which he is not under this Act or otherwise entitled to compensation and which is not so affixed or erected in pursuance of some obligation in that behalf or instead of some fixture or building

¹ Agricultural Holdings Act, 1908.

belonging to the landlord, shall be the property of and be removable by the tenant before or within a reasonable time after the determination of the tenancy."

This right applies to all agricultural tenancies, including lands occupied by market gardeners and small holders. It is necessary, however, for the tenant to comply with certain conditions—namely, he must have paid the rent; no avoidable damage must be done; he is obliged to make good any serious damage to the landlord's property; he must, first, serve a notice on the landlord. The latter may then elect to purchase the fixtures or erections belonging to the tenant.

Generally speaking, a tenant has no right to compensation for improvements to property held by him, but statute law has made an important exception in the case of agricultural tenancies. Various Acts have been passed granting compensation to farmers, market gardeners, small holders, allotment holders, and cottage gardeners upon the determination of their agreements. These rights are now consolidated in the Agricultural Holdings Act, 1908. Improvements for which compensation may be claimed are divided into three parts—I. improvements to which the consent of landlord is required; II. improvements in respect of which a notice to landlord is required; and III. improvements in respect of which consent of, or notice to, the landlord is not required. Part I. includes the erection, alteration, or enlargement of buildings; formation of silos; laying down of permanent pasture; making and planting of osier beds; making of water meadows or works of irrigation; making of gardens; making or improvement of roads or bridges; making or improvement of watercourses, ponds, wells or reservoirs, or of works for the application of water

power or for the supply of water for agricultural or domestic purposes; making or removal of permanent fences; planting of hops; planting of orchards or fruit bushes; protecting fruit trees; reclaiming of waste land; warping or weiring of land; embankments and sluices against floods; the erection of wireworks in hop gardens; planting of standard or other fruit trees permanently set out; planting of fruit bushes permanently set out; planting of strawberry plants; and the planting of asparagus, rhubarb, and other vegetable crops. Part II. includes drainage of land. Part III. includes the chalking of land; clay-burning; claying of land or spreading blaes upon the land; liming of land; marling of land, application to land of purchased artificial or other purchased manure; consumption of corn, cake, or other feeding stuff on the holding; laying down of temporary pasture with clover, grass, lucerne, sainfoin, or other seeds, sown more than two years prior to the determination of the tenancy; and necessary repairs to buildings, for which the tenant is not liable, provided previous notice of such repairs is given to the landlord in writing.

As regards urban properties, the Housing and Town Planning Act, 1909, has given the tenant of a dwelling-house the right, under certain conditions, to expect that the premises are reasonably fit for human habitation. Section 14 of the Act provides that

“ in any contract made after the passing of this Act for letting for habitation a house at a rent not exceeding (a) in London, £40; (b) in boroughs or urban districts where the population is 50,000 or upwards, £26; and (c) if situate elsewhere, £16; there shall be implied a condition that the house is at the commencement of the holding in all respects reasonably fit for human habitation.”

Powers are also granted, under the same section, to a local authority to serve the delinquent landlord with a notice requiring him to execute, within twenty-one days, such works as the local authority may specify as being necessary to make the house fit for human habitation. Failing the execution of the works by the owner, the local authority may do the work required and recover the expenses from the landlord as a civil debt. This liability falls not only on the original landlord, but also on his successors in title. The Act excludes Ireland.

CHAPTER XXXI

REGISTRATION OF TITLE

THE public registration of title to land has made comparatively little progress in this country. Although it has been strongly advocated by eminent statesmen and distinguished lawyers, the opposition on the part of the professional classes has been too powerful to permit of practical advantage being taken of the systematic registration of land titles.

It should be added, notwithstanding, that there are serious difficulties in the way of organising a complete system, and the varieties of land tenure in the United Kingdom, as they exist to-day, are effective barriers against progress in this direction. A mere glance at the land system, as shown by the law of landownership, will suffice to show that a national system of registration will be difficult to accomplish, unless some drastic reforms are introduced. The complications associated with some titles to land—dangerous, as they are, to the unwary—have made Parliament afraid to adopt a complete system of registration.

It is true that substantial progress has been made in some of the British Colonies, but it must be remembered that the tenure of land is not so complicated, or subject to so many antiquated methods as is the case in this country. In Australia the system of registration is highly popular, but, it should be stated, only absolute titles are registered. Registration of title is also publicly encouraged in practically the whole of Canada. In most of the

States of the American Union a deed of conveyance has no legal significance until it has passed through the Record Office. Germany and Austria-Hungary are, perhaps, the most notable examples of the systematic registration of title; in some parts of these countries the practice has been recognised for centuries.

Land title, in the event of a change in ownership, requires, under present conditions, a most careful investigation by professional persons who are intimate with the requirements of conveyances and general legal practice. It is necessary not only to examine documents in the possession of the vendor, but a careful scrutiny has sometimes to be made in the chain of title for many years previous, including wills, mortgages, and other documents. In the absence of this investigation a purchaser cannot be certain of the validity of his title.

The registration of title by a government department, it is claimed, would furnish all the information required by an intending purchaser, and would protect him from acquiring the ownership of real property under a misapprehension as to the nature and extent of the vendor's title. If the system were adopted throughout the United Kingdom—assuming that it is possible under the present land system—public offices would be open in certain convenient centres for the purpose of recording all deeds relating to the ownership of land, copies of which could be inspected from time to time by the parties interested.

Registration of transactions relating to land have been in existence, with more or less completeness, from time immemorial. On manorial estates it has been the practice for centuries to make records on the court roll; in fact, the title of a copyholder was only created by admission in this way. It is true that the particulars were of

the shortest possible description, and sometimes involved a doubt, but it was, nevertheless, a form of registration of title.

A general registry for the record of title deeds was established in the West Riding of Yorkshire as far back as the year 1704, and the system was adopted in the East Riding three years later. Middlesex set up a registry in 1708. Registration of title, in England, is confined to these two counties, and the practice is regulated by the Yorkshire Registries Acts, 1884 and 1885, and the Land Registry (Middlesex Deeds) Act, 1891. These Acts are undoubtedly a great advantage to small landowners, and, in some respects, they are a protection to mortgagees.

Lord Westbury's Act, passed in the year 1862, was intended to provide for the establishment of a general Land Registry in England and Wales, but the Act proved useless, chiefly in consequence of the heavy expense entailed by the official investigation of title. A Royal Commission was appointed and reported in the year 1870. The recommendations were, to a large extent, embodied in the Land Titles and Transfer Act passed in 1875. This Act applied only to London, and the advantages of the measure were not very great, until the system was made compulsory by a further Act passed in the year 1897.¹ Before registration is compulsory, however, an order of the King in Council is required. The Act of 1897 extended the system of compulsory registration of title to any county, but not if the county council objects.

The Order in Council, when made, makes it necessary for every purchaser of land, after the date of the order, to register his deed of conveyance as soon as the purchase is completed. The title may include freeholds and leaseholds, if the latter

¹ The Land Transfer Act, 1897.

have an unexpired term of not less than forty years. In the case of leasehold estates, however, an Order in Council is of no effect unless it is issued at the request of the county council.

Registration is now compulsory in the City of London, and also throughout the entire County of London. It is the duty of the Registrar to investigate titles to land and issue certificates relative thereto. About 150,000 titles have now been registered, and the value of the land represented by such titles exceeds one hundred million pounds sterling. It has been stated that the Act has greatly simplified dealings in land without the aid of professional persons, but, on the other hand, the Act and the system generally have been severely criticised.

There are, however, some important exceptions from the compulsory registration of title under the *Land Transfer Act*, 1897. These include—(a) leases where the unexpired term is less than forty years; (b) leases with less than two lives to fall in; (c) estates consisting of undivided shares; (d) parcels of manors; (e) copyholds; and (f) customary freeholds.

A Land Register is divided into three parts—namely, a description of the estate, with or without a map; the name and address of present owner; encumbrances, if any, the order of priority, and the names of parties interested. All instruments of title are entered on the register when they are produced. When a sale of the property is effected the vendor's name is cancelled, and the name of the new owner is then added. In the event of a mortgage deed being executed, the fact is noted under the heading of "Encumbrances" and the entry is cancelled when the release is produced. Sometimes only a part of the estate is sold; in this case the sale is noted

on the original register, and a separate register is then made for the estate which has been detached.

The land certificate, issued by the Registrar, is sufficient evidence of title without the production of the actual deeds. The certificate bears a full description of the land, and is a copy of the entries on the official register. In the event of a sale of the property the vendor may either produce his certificate or furnish the necessary authority for the inspection of the title at the Land Registry. Without this authority a purchaser cannot obtain any particulars of title from the Registrar. The conveyance is of a simple character, consisting of a printed form, obtainable from the Land Registry. When executed by the vendor the conveyance is sent for registration, and a new land certificate is issued to the purchaser.

For a short time after the establishment of the Land Registry it was understood that the expenses on all transactions would be heavier than under the old system. It is believed, however, that, in course of time, the costs of conveyance will be substantially diminished, while it will be possible to acquire or dispose of land with equally the same facility as registered or inscribed stocks. The system, it is claimed, gives protection against fraud. This fact is, perhaps, the strongest illustration of the value and security afforded by the registration of title, so long as the private ownership of land is recognised by the State.

As regards Scotland, registration of deeds has been in vogue since the year 1617, and in nearly all cases by full copy. About 40,000 deeds are registered annually in Scotland.

PART IX
THE ROAD TO FREEDOM

“Ye friends to truth, ye statesmen, who survey
The rich man’s joys increase, the poor’s decay,
’Tis yours to judge how wide the limits stand
Between a splendid and a happy land.”
—OLIVER GOLDSMITH. “The Deserted Village.”

CHAPTER XXXII

LAND COURTS

IN outlining the law of landownership we trust we have demonstrated the complexity of our land system and shown the futility of securing common justice by mere palliatives. No changes in the system of land transfer would be altogether satisfactory; the reforms in our land system must go to the roots of the question.

Our inquiry into the economic use of land in Great Britain is now completed. We have endeavoured to trace the conditions of land tenure in this country, and to treat the subject temperately and honestly, free from prejudice and party spirit. If drastic remedies have been suggested it is because they are reasonably necessary, if common justice is to be done to the people.

It is now only necessary to epitomise the conclusions at which we have arrived in the course of our investigation, and then to point out that the way to economic freedom lies through the media of Land Courts. It will have been observed that the suggestion of Land Courts has been running through the whole of this work.

We have tried to find an explanation of the heavy flow of emigration from this country, at a time when the volume of trade is larger than that at any previous period of our history. We saw that robust young men were fleeing from every country-side as if there was some fearful pestilence raging in our midst. It has been shown that some of the most skilled workers are departing from the homeland because they are terrorised

by a haunting fear of want. Young men and women see the inexorable conditions under which their parents have been compelled to live, with no ray of hope of enjoying economic freedom. The fear of falling into the same miserable existence has forced thousands of Britain's best citizens to seek refuge and liberty in distant lands because security and social freedom are denied them in the land of their birth.

In contrast with these facts we scrutinised the system of land tenure, pointing out, in passing, the danger, as well as the injustice, of large private estates in land. We showed that private ownership of land, with its privileges of unrestricted sport, bolstered up by the Game Laws, did not encourage the most thorough methods of cultivation of rural land, and also that the monopoly of land did not stimulate individual enterprise in towns and cities.

We tried to lift up the curtain, so to speak, and reveal the disgraceful conditions under which the agricultural labourer was compelled to work. We pictured, not extravagantly, the misery of his existence, caused by long hours of labour, low wages, and the insanitary dwellings in which he and his family were housed. Special attention was drawn to rural depopulation, due to the flight of rural workers to centres of population in this country, as well as to our Colonies and foreign countries. Some suggestions were made with regard to rural housing reform—reform, not by the unsatisfactory method of financing landowners out of public funds, but either by the landowners themselves, or, preferably, by some Central Authority after the compulsory purchase of land at a fair valuation.

Many reforms were also outlined with reference to the improvement and extension of small

holdings by expediting the provision of land, by furnishing capital through the media of credit banks, and by the institution of agricultural education and co-operation. The need for afforestation was mentioned, and it was shown that this enterprise would be a most profitable employment of State capital, both economically and commercially.

We took a cursory glance at the way in which land legislation had been passed by landowners in their own interests, regardless of the rights of the people. Illustrations were drawn to show how farmers, as well as town tenants, are restricted in the use of the land for which they pay rent, and instances were given, from the writer's personal experience, to show that the economic value of a tenant's industry and enterprise nearly always goes to enrich the landowner. Proposals were put forward with a view to remedying the injustice of the present leasehold system and the development of urban housing.

A thorough examination was made into the conditions prevailing on estates held under settlements and under trust indentures. The limitations of copyhold tenure were also considered in detail. The writer found it necessary to draw attention to the thriftlessness of some large landowners, and to the disastrous effects of mortgaging estates in order to pay estate duty. It is to be feared that the actual state of affairs is not known to the great body of the people of this country.

In regard to the question of assessment for the purposes of Imperial taxation, and the rating of premises for parochial requirements, many reforms were suggested. If these were adopted the taxation of improvements would be avoided, and the incidence of assessment would be put upon a more equitable basis.

Some of the most urgent reforms upon which the State should embark, without delay, are as follows :—

1. The splitting up of unduly large estates as far as possible.

2. Proper safeguards against the handing down of large estates in one block by testamentary disposition, in cases where there are two or more children.

3. Revision of Game Laws in so far as they affect tenants.

4. Rural housing reform, " tied " cottages to be discouraged ; landowners not to be financed for the purpose of new dwellings.

5. Local authorities to buy land for rural cottage building by State aid ; failing this a Central Department to have power to act.

6. Wages Boards in grouped districts ; minimum wages to be secured for rural workers.

7. Greater security to farmers and more freedom in the methods of cultivation.

8. Encouragement of agricultural development by modern buildings ; drainage improvements ; extension of small holdings ; utilisation of village post office savings banks as machinery for credit banks ; agricultural co-operation.

9. Measures to protect farmers against the thriftlessness of landowners ; mortgaging of large estates for payment of estate duty to be prohibited ; land to be taken in lieu of cash in payment of death duty.

10. Profitable employment of State capital in afforestation schemes, in order to provide labour in rural districts.

11. Judicial fixing of rents by Land Courts, these judicial authorities to prevent unfair restrictions on the use of land, urban and rural.

12. Extension of notice to quit, if served by

landlord, to two years in the case of farming tenancies, if tenants are not safeguarded by Land Courts.

13. Renewal fines for town leases to be made illegal ; removal of stringent limitations ; right of renewal if desired by lessee subject to discretion of Land Courts and rights of expectant landowners.

14. Revision of Settled Land Acts ; limitation of power of settlement.

15. Trustees to be more directly responsible for the best economic use of land held under trusts.

16. Abolition of copyhold tenure.

17. Reform of the system of assessment and rating of land and buildings.

18. Taxation of Land Values an economic mistake ; vacant land, however, to be rated for parochial purposes.

19. Public authorities to have increased powers to buy land within their boundaries, at any time, at a price not exceeding the valuation fixed by the Land Valuation Department, with right of landowner to appeal to Land Courts if dispute as to price.

20. In the event of new Imperial taxation, dividends and interest to be taxed at the same rate as rents.

These are the most urgent remedies that the State should take in hand at an early date. Many of these reforms should have been attempted years ago ; the longer they are delayed the more acute will the Land Question become. No time should be lost in making amends for the mistakes of the past.

It will be suggested, at once, that it is an impossibility to secure all the above reforms within the covers of a single Act of Parliament. The questions that have been raised are so far-reaching and

complicated that social freedom would not be secured until the lapse of many years. It will be urged that the farmers and town tenants cannot reasonably hope to benefit, in this generation, if they are to wait until the numerous phases of the Land Question, as outlined above, have been dealt with by the Legislature.

There is, however, one short, but decisive, step which may be taken by the State with a view to dealing immediately with many of the economic difficulties of our land system. This step is the establishment, without delay, of judicial bodies to control the ownership of land in this country, acting under powers from some Central Authority. The reader will have observed that throughout this book, no matter what phase of the Land Question may have been under consideration, we have continuously advocated the setting up of Land Courts. It has been pointed out that these are urgently needed, not only for the purpose of controlling the use of land in rural districts, but also for the purpose of ensuring reasonable security in the case of town tenants. A judicial body, with the power of the State behind it, is the only method of bringing about a speedy and radical change in the conditions which prevail to-day. Land Courts would form the chief corner-stone in the structure of land reform in England and Wales.

At this juncture some brief description of a Land Court may be required, although the name itself is, perhaps, sufficient to convey a full meaning to the average person of its object and constitution. A Land Court is a judicial body, acting, of course, with the full authority of the State. It would be impartial in its deliberations, and its decisions would be in accord with the demands of equity. It would not favour the landlord, but it would serve to protect him from a useless tenant. On the other

hand, no special consideration would be given to the tenant beyond the ordinary rights which justice entitles him to receive, but it would save him from the exactions of an unscrupulous landlord. The machinery of a national scheme of Land Courts would be under the direct control of a Central Authority, in order to ensure certain and harmonious working. The number of officials need not necessarily be large.

A Land Court would be called into requisition, either by the landlord or the tenant, by means of a simple form of notice, specifying in detail the precise nature of the question upon which the decision of the Land Court is required. The facilities for utilising the tribunal should be open, not only to the farmer and smallholder, but equally available to tenants in urban districts. To avoid trivial applications, the Land Court should have the right to demand that the party who gives notice should first establish a *prima facie* case for the consideration of the Court.

The formation of Land Courts would probably best take place by taking county areas or other suitably grouped districts and appointing local gentlemen who are conversant with the customs and general requirements of their particular neighbourhood. As regards agricultural interests, these would best be served by following on the lines of the Scottish Land Courts and delegating the duties to a landowner, a surveyor, and two farmers or smallholders. In addition, there should be a president, who could be relied on to hold the balance evenly between the parties. In the case of urban properties, similar provisions could be made by ensuring the fair representation of the different interests concerned. These parties would be under the direct control of the new Central Authority.

It will be observed that this tribunal would act fairly both to the landowner and the tenant. No privilege would be allowed to either party, or any act permitted, which would be detrimental to the interests of the other. The system would practically coincide with the present policy of good landlords who have habitually aimed at the cultivation of their land in the most business-like manner, without endangering the capital and fruits of industry created by their tenants ; it would ensure uniformity in the conditions of land tenure. The object of the State should be aimed at bringing unreasonable landowners into line with good landlords who have always looked to the interests of the tenants as well as to their own.

Land Courts were first established in Ireland in the year 1881, during Mr. Gladstone's Administration. The Act of this year caused the rents of 360,135 holdings, comprising nearly eleven millions of acres, to be judicially fixed by the Land Commissioners, or by direct agreements between landlords and their tenants. These rents were fixed for the statutory term of fifteen years, and resulted in a reduction in rent amounting to about 20 per cent. More recent Land Acts, as is well known, have encouraged the purchase of land by the sitting tenants.

In Scotland the method of controlling rents by a judicial body was introduced in 1886, but the Act of that year only applied to the Crofters' districts.¹ The Commission set up by the Act revised the rents of various holdings amounting in the aggregate to £82,790, with the result that the fair rents of these holdings were fixed at £61,233, or a reduction of £21,587. At the time of the passing of the Act of 1886 it was reported that the Scottish landowners were entitled to arrears of rent amounting to

¹ Crofters' Holdings Act, 1886.

£184,962. After judicial inquiries, not less than £124,180 of the arrears were wiped out in favour of the Crofters.

The practice of fixing rents by means of a judicial authority was found to have been so satisfactory in the case of the Crofters that Parliament decided, in the year 1911, to extend the system to all the small farmers north of the Tweed.¹ The Land Court, under this Act, is confined to agricultural tenancies in Scotland which do not exceed fifty acres in area or £50 in rental. It may be claimed that the Act has received the general approval of the landowners and their tenants, and has done a great deal to encourage the best use of land by smallholders.

It is now for the country to consider whether the time has not arrived for the extension of the principle of Land Courts to England and Wales, not only in respect of small holdings, but in respect of all agricultural tenancies, without limitation as to area or rental. A consideration of the unsatisfactory conditions under which tenant farmers and market gardeners have to work should at once lead the State to recognise that it is wise to extend the system without delay. In these pages we have shown how insecure the agriculturists are in the conduct of their business. By bringing to the aid of farmers the agency of a Land Court, the State would open the way to absolute security of tenure, with a certainty of increased wages being available for agricultural labourers. In the absence of the judicial control of land, there is no reasonable hope of securing economic freedom for the rural workers of this country.

The institution of Land Courts would at once destroy the undesirable practice of encouraging competitive rents. In recent years, as the diffi-

¹ Small Landholders (Scotland) Act, 1911.

culties of securing agricultural land have increased, landowners, with the advice and assistance of their agents, have often disregarded the amount of an economic rent and have put their farms up for the highest bidder. This class of property is now sometimes advertised, not at a specified rent, but as being available for the person who is willing to give the most substantial consideration. When the tenders are opened, the farmer who has offered the highest rent is generally accepted as the future tenant. The great demand for farms of average size generally regulates the chances of the landowner in obtaining the best possible terms for his land. Rather than lose the opportunity of securing land, a farmer will enter into financial obligations, as well as assume restrictive covenants, which he finds to his cost are unreasonably heavy. The practice of encouraging competitive rents is unwise, and it is not calculated to foster the best husbandry. The intervention of Land Courts will remedy the evil, which is a serious one so far as agriculturists are concerned.

In the case of small holdings the practice of competitive rents is even more serious than in the case of farms of average size. That the applicants for small parcels of land are numerous is proved by the Report of the Small Holdings Commissioners for the year 1912. It has been found impossible to satisfy the enormous demand for small holdings. The demand for land has had a tendency to increase the rents; an increase in the annual value has resulted in a substantial addition to the rates. The rent and rates of small holdings in England and Wales are out of all reasonable proportion to the rent and rateable assessments of large farms. It is urgently necessary that Land Courts should be constituted to safeguard the smallholders from an unreasonable rent and

from an unfair rateable assessment in consequence.

As soon as Land Courts have been established the farmer will be able to work under absolute security of tenure. He will apply his capital, his skill and his industry, in the vigorous cultivation of the soil. No longer will he fear the landlord ; the disposition of the owner to increase the rent as productivity advances would, in future, be ineffective. All the improvements created by the tenant would be his alone. If the land is put into good heart and condition, the Land Court would award him the value of his industry. If drainage is carried out by the tenant, the capital sunk in the operation would not be lost. The erection of new buildings would involve no risk.

Under the Small Landholders (Scotland) Act of 1911 the rents of farms not exceeding fifty acres or £50 annual value are fixed for a definite period of seven years. No alteration can be made until the lapse of this period, and even then there may be no change in the rental value of the property, unless the landlord is reasonably entitled to receive it. Under these conditions, small farmers are certain to enjoy the fruits of their industry. The Land Court furnishes to them the guarantee of the State that there will be fair dealing. They are assured that all their unexhausted improvements are free from rental levies by their landlords.

We have pointed out that it is often very difficult to obtain the consent of the landlord to the erection of new buildings by the tenant, even when they are urgently required, and when the owners themselves, for financial considerations, have found it impossible to do the work. Through the machinery of a Land Court, farmers would be able to obtain permission to erect buildings, if they are reasonably necessary,

and the Court would protect them from loss in the event of their tenancies being determined.

Furthermore, the Land Court would serve as an effective means of avoiding a notice to quit being served on a tenant, if there was insufficient reason for doing so. In the case of landed properties being offered for sale, such act would not necessarily disturb tenants in the security of their holdings. They would be entitled to continue under the new owner, if it could be proved that the tenants were utilising their land to the best advantage, and if the possession of the land was not reasonably required for the purposes of the owner.

The Agricultural Holdings Act, 1908, it is true, has made valuable provisions for the granting of compensation for the value of unexhausted improvements, in the case of agricultural tenancies, when the agreements are terminated, but it is necessary, in the interests of the farming community, to extend the principle of fair compensation for all acts which add to the fertility of the soil, or which tend to increase the capital value of farmhouses and buildings, without being subject to the limitations which at present exist. These limitations were fully discussed in the chapter dealing with the restrictions on agriculture. The valuation of the compensation should be under the direct control of Land Courts, so as to ensure a fair price being paid to the outgoing tenant for the improvements he has created.

There is no doubt that steps will be taken by the State, before very long, with a view to bringing the wages of agricultural labourers on to a more satisfactory basis. Whether a definite minimum wage is decided upon or not, some increase must be made in the amount received by rural workers, if they are to be granted economic justice. In

legislating along these lines it must be remembered that farmers are, primarily, responsible for the payment of these wages, because the labourers are their direct employees. Is it to be expected that farmers will be liable to meet this additional expenditure? It is needless to add that it is an impossibility for the average farmer in this country to be saddled with further burdens. The introduction of a minimum wage would necessitate the constitution of a rental tribunal so as to adjust the obligations of farming tenants under their existing agreements.

It is a well-known fact that the private ownership of land encourages political and religious intimidation. Farmers and their employees, as well as rural workers of all classes, are under the domination of the landowner. They enjoy neither political nor religious freedom. If they do not fall in with the aims and feelings of landed proprietors, they run the risk of notice to quit or banishment from their villages. As soon as Land Courts are in existence the arbitrary power of the privileged landowner would no longer be exercisable; a judicial body would guarantee justice and social freedom.

We have drawn attention to the advantages to be derived by means of the agency of Land Courts by those who make legitimate use of the soil. It is now necessary to show that landlords themselves would find judicial bodies of this kind valuable institutions for dealing with bad farmers. If a man were indolent and farmed carelessly and unprofitably, so that the productivity of the soil was diminished, the Court would be able to act in the interests of the owner and provide a more suitable tenant. Indifferent farming would be discouraged if the landowners were assisted in this way.

The question will probably be asked, Will not Land Courts tend to raise rents? It is only necessary to point to the case of the Crofters in Scotland, where the total rents were actually reduced by over 25 per cent. Undoubtedly there are some cases where farms are rented at a low figure in this country, but these are comparatively few in number, and the landowners in question are no more likely to set the machinery of Land Courts in motion with a view to a readjustment of their rents than they are now likely to increase the rentals by private agencies. On the whole, the rents of farms in England and Wales would be put on a more equitable basis, and, without question, Land Courts would lead to substantial reductions in many parts of the country. A natural corollary of reduced rents would be a readjustment of rateable values in favour of occupiers, who, at the present moment, are unfairly assessed on their own improvements.

Whilst there is a great need for Land Courts in regard to rural property, it should not be forgotten that the urban tenant is entitled to similar consideration. Increases in rent in towns are more rapid and more unreasonable than is the case in rural districts. We have elsewhere pointed out that town development, brought about to a large extent by direct contributions on the part of tenants, materially assists in enriching landowners. This enrichment arises in two ways—first, by increasing the value of land; second, by rendering it possible for the owner to demand more rent. We shall discuss the question of the public ownership of land in the final chapter, but here it is necessary to urge that some provisions are needed for limiting the power of the urban landowner to demand heavy tolls in rent.

No justice will be done to the trading community

of this country if facilities are not granted for the judicial fixing of rents, and for the judicial control of the covenants in leases or other agreements of tenancy. To-day the legitimate profits of traders, to a large extent, are absorbed by the idle landowner, who loses no opportunity of squeezing the tenant, if he knows that the goodwill of the business is a valuable one. The enormous demand for shop premises in Oxford Street and Regent Street and other parts of the west of London, as well as in the important thoroughfares of every large town in this country, gives to the landlord a power to make hard terms when the renewal of leases comes up for consideration. All traders realise the dangerous position in which they are placed. Rents are heavily increased; fines are levied out of all proportion to justice; the goodwill of a tenant's business is often in jeopardy; the capital value of his improvements is in danger of being sacrificed.

So long as the interests of owners under existing contracts are respected, Land Courts should be empowered to adjudicate between a landowner and his tenants in the event of a dispute arising. In the arrangements of new agreements, occasioned by renewal of expiring tenancies, the Land Court should revise not only the rent claimed by the lessor, but the amount of the fine to be imposed and the character of the covenants that are to be included in the new lease, if the tenant requires it. If the premises are dilapidated and out of date, the Land Courts, in their discretion, would call for the readaptation of the buildings in accordance with present needs. If the owner is unwilling to carry out the work, or is unable to do so for financial reasons, the right should be granted to the tenant to do the work at his own expense, subject to adequate safeguards

for the payment of reasonable compensation for the value of the tenant's interest, when his agreement expires. The Land Court should ensure the fixing of a fair rent and the conservation of the capital expended by the tenant.

The establishment of Land Courts, under the control of a new Central Department, would give a stimulus to agriculture and would encourage enterprise in towns. It is only by means of this judicial protection that justice may be accorded to those who make reasonable use of land.

CHAPTER XXXIII

PUBLIC OWNERSHIP OF LAND

THE consideration of Land Courts leads us at once to the discussion of the question of the public ownership of land. Judicial Courts for the fixing of fair rents would be insufficient if they were not accompanied by wider facilities for the gradual acquisition of land, either by the State or through local authorities acting under general directions from the new Central Authority, which we have suggested should be established. In order to render it possible for the people to effectively control the land of this country by gradually eliminating private ownership, when it is expedient to do so, Land Courts will be necessary to ensure the payment of a fair price for the land.

It will have been noticed that throughout this book it was evident that private ownership of land encouraged the existence of a dangerous monopoly. A system of Land Courts, necessary though they may be for the judicial fixing of rents, would only safeguard the rights of tenants, so far as the use of land under tenancy agreements is concerned; it is imperative that provision should be made by the Legislature for the breaking of the private monopoly of landownership by public purchase, when it is desirable to do so.

As soon as a Central Department is armed with the necessary judicial powers, in the manner we have indicated, the machinery of the existing Land Valuation Department should be transferred

to the new Authority, so that the purchase of land may be readily facilitated. The valuation now in course of completion would serve as a basis for arriving at a reasonable price. No longer would a landowner be able to inflate the capital value of his land in consequence of the decision of the community to become the owner of it. The present system of penalising the people by demanding exorbitant prices would be dispensed with. The value of land, as disclosed by the official valuation, would be taken as *primâ facie* evidence of the amount to be paid for acquiring the landowner's interest, subject to reasonable safeguards for appeal in the event of dispute.

The principle of public landownership is by no means a new one. It has been recognised by the State for many years. Local authorities are empowered, under various Acts of Parliament, to acquire the ownership of land and buildings, within or without their administrative boundaries, subject, of course, to certain limitations. If it can be proved to the satisfaction of the Central Authority that it is expedient to purchase land, either now or prospectively, the usual permission should be given for the raising of the cost by public loans. County councils have already wide powers for the purchase of land for the creation of small holdings.

Furthermore, local authorities may at any time, and from time to time, promote private Bills in Parliament in order to acquire the powers of compulsory purchase of land. There is practically no limitation to the amount of land which local authorities may acquire under public and private Acts. These powers may relate to the widening of streets, construction of new main roads, the acquisition of extensive tracts of land for the collection of water supply, open spaces,

sewage disposal works, and many other works of public utility.

It is advisable to extend this principle of public landownership, but in such a way as to avoid the necessity of resorting to the clumsy and expensive method of promoting Bills in Parliament. If it can be shown to the new Central Authority that it is expedient to acquire land for the purposes of the community, now or in the immediate future, the Central Authority should be empowered to give the necessary permission and to act as a judicial body in the fixing of the purchase price.

The costs of obtaining powers by special Acts fall heavily on the ratepayers. Local authorities have to meet the opposition of unwilling landowners, as well as the opposition of neighbouring administrative bodies. In many cases the expenses of fighting the various interests concerned have been exceptionally high. In consequence, the costs have fallen heavily on the rates. The intricacies and costs of acquiring land by compulsory powers often act as a serious deterrent in the promotion of urban development. There is nothing so wasteful of public finance as the present system.

There are many advantages in making use of the valuation figures now being arrived at by the Land Valuation Department. The absence of secrecy in the deliberations of local authorities when discussing future schemes of development operates unfairly against the interests of the ratepayers. A landowner's ideas of the value of his land are often governed by the nature of the requirements of the community. Under ordinary circumstances the owner would, in all probability, be willing to accept a purchase price more in harmony with the income from the property, but as soon as the administrative body discloses the

intention of acquiring land for public purposes the price is swollen beyond reason. In proof of this fact it would only be necessary to draw attention to the heavy demands put forward by land agents and surveyors, on behalf of private owners, when the purchase price is being fixed by arbitration. Considerations of space render it impossible to draw attention to the rapid increases in municipal debt as a result of arbitration awards.

As soon as the official values of land are fixed and decided upon as a basis for purchase, there will no longer be any disadvantage to the rate-payers in openly discussing the desirability of effecting public improvements which involve the purchase of land.

The need for greater and wider facilities for the acquisition of land by public bodies was demonstrated in Chapter VII., when we discussed the question of rural housing. It is urgently necessary that some forward movement should be taken in the provision of new cottages for agricultural labourers. The existing dwellings, in the main, are insanitary and in considerable disrepair. Landowners, in numerous instances, have failed to discharge the duties involved in landownership. The only satisfactory solution of the rural housing problem is the provision of suitable cottages by the State. Before this scheme is embarked upon the necessary land should be vested in the community. In no other way is the adoption of the principle of public landownership more urgently necessary than in the provision of suitable cottages in rural districts.

It may not be advisable to adopt a complete system of land nationalisation at once. The community has, however, much to gain by facilitating the purchase of land whenever the

opportunity arises. When dealing with the practice of mortgaging estates for the purposes of meeting estate duty it was suggested that the State should be entitled to take land in lieu of cash. In this way the people would frequently assume the ownership of land on the death of landowners. It was estimated that about £7,000,000 worth of land might be acquired in this way each year, if private owners did not find other means of meeting estate duty.

The question will probably be asked, Would the agriculturist benefit by becoming a State tenant? It is only necessary to state that the tenants of Crown lands are in every way contented. The security they enjoy offers a marked contrast to estates held by private owners. Farmers may cultivate their land with a certainty that they will benefit by their industry. The extension of public ownership would bring about similar results, and would give an impetus to agriculture, which is greatly needed in this country.

The acquisition of land by the State would also stimulate the provision of small holdings. There is no doubt that much good work has already been done by locating smallholders in various parts of the country, but the difficulties in the way of obtaining land have been great. It will only be possible to extend the principle of small holdings by giving compulsory powers to a Central Authority to take land for the purpose at a reasonable valuation. It has been pointed out in Chapter VIII. that the county councils in some parts of the country have failed to fulfil the anticipations of the Government, but even when land has been acquired the prices have been unreasonably high in consequence of the absence of some machinery to regulate the prices.

Another advantage of Public Ownership, so far

as small holdings are concerned, would be the avoidance of a sinking fund for the liquidation of the amount paid for the purchase of land. At present county councils are compelled to make provision for the repayment of loans by means of sinking fund charges. These sinking fund payments are, in practice, contributed by smallholders, who are not only expected to pay an economic rent, but are also compelled to assist the community in purchasing the property. A system of State ownership, as distinct from purchase by county councils, would dispense with the necessity for sinking fund payments, and would reduce the annual contributions by smallholders. Furthermore, the rateable value of small holdings would be reduced in sympathy with the diminution in the rent. Under these conditions smallholders would be greatly encouraged in the development of their land.

The elimination of private monopoly in land, brought about by gradual ownership by the State, would have a marked effect on the position of the agricultural labourer. He would no longer see land insufficiently cultivated in order to find enjoyment for a few privileged persons. The cultivation of land would be vigorously engaged in; new farm buildings would replace the old worn-out premises; drainage works would be undertaken; fences would be improved; science would be brought to the aid of agriculture. All these improvements would bring wages to rural workers, enabling them not only to live in more suitable cottages, but encouraging them to take a keener interest in their children and in the welfare of the nation to which they belong. At present they are citizens in name only; the privileges of citizenship can never be realised so long as our land system remains as it is to-day. Freedom is

not known to the average agricultural labourer in this country at the present time.

It is urgently necessary that the rural life of the United Kingdom should be regenerated. The road to regeneration lies through Land Courts to the Public Ownership of land. The nation will only attain the highest strength and efficiency when the rural workers realise that their future is in the custody of the State.

A consideration of the systems of land tenure and the laws relating to game, land transfer, and the occupation of land will have shown to the reader the impossibility of trying to adjust the difficulties of to-day by the mere simplification of Land Law. No satisfactory solution of land problems can be effected by enactments along these lines. So long as private ownership in land is uncontrolled, and so long as the monopoly exists, difficulties will recur in regard to the use of land. The only method by which an improvement may be brought about is by building up State Ownership alongside the present system, and by compelling uniformity of conditions.

In the near future some steps will undoubtedly be taken in regard to afforestation in this country. The need for planting trees, not only for natural and climatic purposes, but also for other public needs, is admitted on all hands. It will not be possible, however, to set about the planting of areas until suitable tracts of land have first been acquired by the State. The public ownership of the land required for the purpose is a necessary condition to the introduction of schemes of afforestation. As soon as the uncultivated tracts of this country have been purchased by the State, under compulsory powers, at a price harmonising with the rateable value of the property at the present time, with no fictitious increases in

price, the afforestation of this country will be stimulated.

The acquisition and development of land for the purposes of afforestation would provide suitable employment for thousands of ill-paid, ill-fed, and ill-housed labourers in the villages of England and Scotland. The improvement would be so marked that the question of the rural worker being able to pay an economic rent would be partly solved. The provision of regular work of a suitable character would ensure him an adequate return for his labour and a hopeful future for his children. It would check emigration; there would no longer be a pressure on the towns; country life would have an attraction which has almost gone as a result of the present system.

In addition, the application of State funds to the purchase of land and the planting of trees would yield a profit, in the course of years, which would more than justify the outlay. The returns would bring in a regular annual income; whilst the timber supplied would be useful in the ordinary channels of trade.

The time is ripe for the introduction of new proposals regarding Public Landownership. The State is in command of substantial funds which might be applied to advantage in the gradual acquisition of real property. The Post Office Savings Bank has an enormous amount of money which might be employed in more profitable ways than at the present time. There are also heavy funds accumulating in connection with health and unemployment insurance. It would be wise to use these surplus funds in the purchase of land, at fair prices, as and when it is advantageous for the community to do so.

There is a great need for the acquisition of rural land, but it is also important that local

authorities, under central control and direction, should be empowered to purchase land in towns and cities, when it is profitable to do so, especially in the case of land which is becoming valuable for building purposes. At the present time land cannot be acquired by local authorities except on the basis of exorbitant prices. There is no machinery for ensuring a fair purchase consideration. If land is wanted by the public, this fact regulates the price demanded by the owner. In the event of private negotiations failing, resort is made to arbitration, either under compulsory powers, or by agreement of reference between the parties. The appointment of arbitrators, followed by arbitration before an Umpire, with the attendant train of Counsel and Surveyors, entails so heavy a cost on the local authority, that the purchase of the land is not resorted to except in cases of extreme necessity. If a fair price is ensured by the system of a Land Court, local authorities would more frequently acquire land before carrying out public improvements.

That there are rapid increases in land values in urban districts is, of course, not denied. These increases are due mainly to the presence of a large population, accompanied by the expenditure of public funds. As the town grows the land on the outskirts rises quickly in value. Who is entitled to the possession of this socially-created wealth? Is it reasonable that these enormous increases in land values should continue to be appropriated by the private landowner? Undoubtedly steps should be taken to enable local authorities to benefit by their own improvements. If tramways are constructed to new undeveloped districts, both sides of the line of route should be acquired in the public interest, if it is considered advisable to do so. In the

event of open spaces being purchased and public parks laid out, so that the surrounding land increases in value, the local authorities should be in the position of being able to take the full benefit of the increase in land value as a result of the improvements. And so in the case of all public enterprises it should be possible to prevent private persons from deriving advantages which they have done nothing to create. It is only by means of extensive powers in regard to public ownership that the benefits may be secured for the people.

The laying out of Garden Cities, with systematic town planning, is becoming more and more popular. The Housing and Town Planning Act, 1909, has stimulated the idea which originated in the mind of Mr. Ebenezer Howard. Many schemes have been put forward for the planning of extensive areas on well-ordered lines. Town development under these conditions is under more regular control. In the case of large towns and cities, however, it is impossible to adopt complete schemes of town planning, but it would be a great advantage if the local authorities first acquired the areas of proposed new building sites and then allowed development to proceed under public regulation. The advantage of Public Ownership in these cases would be that the ratepayers themselves would be able to direct the arrangement of sites in order to suit the convenience of the public. Streets would be laid out with a view to future needs, and the undue crowding of houses and other buildings on land in course of development would be avoided. The general character of buildings would be more in accordance with the requirements of local authorities, and jerry-building would be minimised.

A great deal has been done along these lines in

places abroad. In Germany an attempt is systematically made to encourage local authorities to buy land for public purposes. Many communities have adopted the practice. In some instances it is now possible to defray the entire expenses of local administration by utilising the revenue derived from land held by the people. The private land monopolist and speculator has been dispensed with in some German towns, or, at any rate, effectively controlled. There is no doubt that the adoption of the same principle in this country would bring about a radical change in regard to municipal burdens. At present ratepayers are not only burdened with exorbitant rents, which increase as towns develop, but they are called upon to bear heavy levies by the authorities for municipal purposes in proportion to their rents. The question of local taxation is becoming a serious matter for ratepayers in this country, and steps must surely be taken in the near future with a view to adjusting public finance. No more effective measure can be adopted than the acquisition of land by local authorities under the direction of a Central Department. In this way high rents would become impossible, whilst the value created by public improvements would bring in a yield which would tend to reduce the amount required from ratepayers in respect of public services.

In the course of two years, at the most, it will be possible to decide what is a fair price for the purchase of land in any part of the country. The Land Valuation Department will soon complete the valuation of all real property, and the figures will serve as a good basis for fixing the amount of purchase-money. If the terms demanded are in excess of the official valuation, some satisfactory reason will be required to justify the increase.

It will no longer be possible for a landowner to insist upon an amount which is above the true value of his property. The Land Courts, acting with the direct authority of the State, would have full powers to decide what should be paid for the transfer of land to local authorities. The services of the officials of the Land Valuation Department could be utilised to advantage by Land Courts for the purpose of arriving at a fair compensation for acquiring the interests of landowners. The present practice of arbitration is most unsatisfactory, and the system should be avoided as far as possible.

In conclusion, it is hoped that what has been written will lead to a solution of the Land Problem in this country. The subject is, happily, one which is coming rapidly into prominence in public discussions. There is no economic reform which will do more to promote the well-being of the people and encourage the prosperity of the nation than the revision of our land system. All that is required is a bold, definite, and complete policy—a policy which shall govern the underlying principles of future land legislation. If a policy of this kind is adopted by the statesmen who are in authority the straight road will be taken to social freedom.

As soon as the land in this country is put to the best economic use, as soon as the farmer has a real and beneficial interest in his own improvements, as soon as the agricultural labourer is in receipt of an adequate wage, as soon as the town tenant is disentangled from the meshes of vexatious covenants and restrictions, as soon as the limitations in regard to land titles are removed, as soon

as the community is the undisputed possessor of its own socially-created wealth—so soon will it be possible to say, and only then, that the people of the United Kingdom are the constituents of a free nation. The solution of the Land Question, by the introduction of Land Courts and the extension of Public Landownership, will encourage the development of a true, prosperous and unfettered Commonwealth.

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