THE NEW SMALL LANDHOLDERS BILL

By James Dundas White, LL.D., ex-M.P.

In June the Secretary for Scotland introduced a short Bill to check abuses that have developed under the Small Landholders (Scotland) Acts, and to restore to the small landholders that security of tenure which they were intended to have so long as they fulfil the conditions of their tenure. It has been left to the Labour Government to right a wrong which other Governments should have righted long ago.

The Crofters Act, 1886, gave the crofters—now known as small landholders—what was practically security of tenure, subject however to the power of Crofters Commission—now the Scottish Land Court—to authorize the landlord, on payment of compensation, to resume the land " for some reasonable purpose, having relation to the good of the holding or of the estate, including " certain specified purposes, such as the building of harbours, piers and churches (s. 2). But later on the Crofters Commission held, in at least one case, that the purpose of the landlord personally residing on the holding it if were his only landed estate was a reasonable purpose for which resumption could be claimed. Then came the Small Landholders (Scotland) Act, 1911, which not only gave statutory sanction to this view, but also made the feuing of the land by the landlord a reasonable cause for his claiming resumption, by providing that (s. 19) " the feuing of land or the occupation by a landlord for the purpose of personally residing thereon of a holding, being his only landed estate, or " (the protection of ancient monuments, etc.,) should be a reasonable cause within the section. The words just quoted would have done much to impair the small landholders' security of tenure, even with what might be called the *bona-fide* landlord contemplated by the Act: and they have become disastrous by reason of a new practice that has been developing.

About the beginning of the war, the system began of the landlord selling his rights as landlord in different holdings to different persons, so that each of these purchasers could then claim to " resume " the particular holding of which he had thus become landlord " for the purpose of personally residing thereon, being his only landed estate," turning out the unfortunate small landholder who had built the house and brought the ground under cultivation. In some cases the holding has been sold over the small landholder's head; though in most cases he has been given the option of purchasing it himself before it is sold to any one else. But the small landholder is generally too poor to purchase; even if he can find the money it may drain him nearly dry: and even when he has spent it on purchasing the holding, he may be worse off than before, as he not only becomes liable for owner's as well as occupier's rates, but he is deprived of the protection of section 31 (6) of the Act of 1911, so that these rates, instead of being based on the rent that he pays for the land apart from the improvements that he has made, are based on the annual value of the land with the improvements. If, on the other hand, he does not purchase and is turned out, the compensation that he gets for his improvements is based not on their value to him but on their value " to an incoming tenant," under s. 10 of the 1886 Act. And there is no provision of any kind under which he can claim either an alternative holding or even alternative accommodation for himself and his family. In his case, moreover, the eviction is peculiarly unjust, because in almost every instance he has built the house and made the other improvements on the basis of security of tenure.

My attention was first drawn to the scandal by a reference in the Report of the Board of Agriculture for Scotland for 1917 (issued in 1918) to the case of the Middlebank settlement in Perthshire, where the small holders had been impelled to purchase their several holdings, to prevent their being sold over their heads. Being then a member of the House of Commons, I drew attention to it on the Scottish estimates in July, 1918, when the then Solicitor-General for Scotland (now Lord Morison) recognized that the position was as described; and shortly afterwards, in reply to a question of mine in the House, the then Secretary of Scotland (now Lord Alness) replied that he was considering the legal position in consultation with his advisers, and could not at the moment make any statement regarding legislation. I then endeavoured to direct public attention to the matter in an article on " A Menace to Small Landholders," which was published in various Scottish newspapers in the same year.* But these efforts were unavailing, and the abuse continued to develop. The parlous condition of the small landholder was fully realized; but both the Coalition Government and the Unionist Government, like the priest and the Levite, passed by on the other side.

Early in the present Parliament Sir Robert Hamilton introduced a Bill dealing with the subject; and Major Mackenzie Wood raised the question on a Motion in the House of Commons on 9th April, when Mr. Adamson, Secretary for Scotland, gave an assurance that the Government intended to deal effectively with the abuse. Mr. Adamson has now introduced the Government Bill. The first sub-section gets rid of the decision to which I have referred, by providing that the occupation by a landlord for the purpose of personally residing thereon of a holding, being his only landed estate, shall not be deemed a reasonable purpose for resumption under s. 2 of the Act of 1886: while the second sub-section repeals the words " the feuing of land or the occupation by a landlord for the purpose of personally residing thereon of a holding, being his only landed estate, or " in s. 19 of the Act of 1911, and also directs that s. 32 (15) of that Act—relating to what are known as statutory small tenants—shall be construed accordingly.

This Bill is better than Sir Robert Hamilton's in two respects. In the first place it not only deals with the interpretation of the law, but also definitely repeals the obnoxious words. In the second place, it repeals the provision which relates to feuing, as well as the other provision. This is necessary for effective legislation, because, if the other provision alone were repealed, the provision which makes feuing a ground for resumption might, and probably would, open the way for reviving the abuse by the landlord feuing the land and thus founding a claim for the resumption of it under the Act. This method, indeed, might be even more detrimental than the other, partly because the restrictions as to personal residence and as to the land being the landlord's " only landed estate " do not apply to feuing, and partly because, if the land were feued with a view to replacing the existing buildings by better ones, the compensation to the evicted small landholder—being based, as I have said, on the value of the improvements " to an incoming tenant "—might be very small indeed. The Secretary for Scotland is to be congratulated on an effective draft.

A further point may be mentioned. Sir Robert Hamilton's Bill contains a clause that " This Act shall commence on the 14th day of March, 1924 "; a clause of a useful and familiar character, designed to prevent the creation of fresh vested interests in the meantime. The Government Bill does not contain any such clause; and without such a clause it is impossible to predict what view the Land Court would take if applications were made for " resumptions " of small holdings by persons who had purchased the landlord's rights between

* It also appeared in LAND VALUES, August, 1918, p. 175.

the introduction and the passing of the Bill. Parliament might well settle this question by inserting a clause that "This Act shall commence on the 23rd day of June, 1924"—the date when the Government Bill was introduced.

QUESTIONS IN PARLIAMENT

On the 22nd May, Mr. Smillie asked the President of the Board of Education if he is aware of the lack of school accommodation at Linton and Lynmouth, Northumberland; and will he give the reason why the building of permanent schools in these districts is not being proceeded with?

Mr. Trevelyan said he was aware of the facts stated in the question. A difficulty had however, arisen in the acquisition of sites for the new permanent schools owing to a considerable discrepancy between the values placed on the sites required by the district valuer and the local education authority's advisers, and in the circumstances the authority were having recourse to their powers of compulsory purchase under Section 111 of the Education Act, 1921. He regretted that there should have been several months of delay owing to the slow working of the present machinery for the acquisition of land needed for public purposes, but he hoped the delay was nearly at an end.

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Major Wood was told by Mr. Adamson in the House of Commons on 27th May that no deer forest land had been acquired for small holdings under the Land Settlement (Scotland) Act, 1919, but about 13,000 acres formerly used as deer forests had been made available for land settlement by agreement. Major Wood asked why no part of the large quantity of land recently reported by the Committee on Deer Forests as suitable for small holdings had not been made available. To which Mr. Adamson replied that *the answer simply amounts to this, that it costs too much money.* (The italics are ours.)

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Mr. Wheatley stated in the House of Commons on 2nd June that the payments made from the Exchequer in respect of annual housing subsidies during 1923-24 amounted to £7,857,000. In addition, the payment from local rates in respect of annual loss on housing schemes was estimated at £866,000. The average annual loss per house in respect of houses erected by local authorities under the terms of the 1919 Act was estimated at £50 per annum of which £5 was borne by local rates and £45 by the Exchequer.

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The extent of the unsatisfied demand for small holdings in England and Wales was revealed in Mr. Buxton's reply to a question in the House of Commons on 21st July. In January last there were 10,441 approved applicants not yet provided with buildings and the area required was 159,273 acres. In addition there were 8,818 applicants for 139,820 acres who were waiting interview or standing over. There are thus at least 299,093 acres of land that might be used or could be used and at least 19,359 families that might be making a good living, stimulating trade and employment among all the trades that would serve their needs. But land monopoly stands in the way.

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Some statistics taken from replies to recent questions in the House of Commons:—

The total coal royalties paid in 1923 amounted approximately to £6,317,000, that figure relating to about 95 per cent. of the industry.—(*Mr. Shinwell, 25th March.*)

The losses in connection with the acquirement and use of land under the Small Holdings Colonies Acts, 1916 and 1918 were £338,202.—(*Mr. Buxton, 24th March.*)

According to the 1921 census, the number of private families living at a rate in excess of two occupants per room in England and Wales was approximately 495,000.—(*Mr. Wheatley, 26th March.*)

The total area of land acquired for small holdings since 18th December, 1918, under the Small Holdings and Allotments Acts, 1908-1919, and still retained is 258,552 acres. Of this area 216,873 was purchased for cash at a total cost of £9,635,076, including costs of acquisition. The remainder has either been purchased for annuities or leased.—(*Mr. Buxton in reply to Mr. Raffan, 3rd April.* Mr. Buxton further stated "he had no information as to the total rateable value of the land prior to acquisition.)

The cost of the Land Valuation Office in the year 1923-24 was approximately £359,000.—(*Mr. Graham, 8th May.*)

Under the Agricultural Rates Acts of 1896 and 1923, the following grants were made by the Treasury to Local Authorities to make up the reduction of rates on agricultural land: in 1922-23, £1,503,473; in 1923-24, £4,725,230.—(*Mr. Snowden, 6th May.*)

A CITY OF BANKRUPTS

Where is the Party that will release us from the Stranglehold of Landlordism?

(*From an article by* Mr. A. G. GARDINER *in* JOHN BULL, *26th July.*)

We have the amazing situation that 32,000 ratepayers of Sheffield, most of them unemployed, are being summoned as defaulters because they have failed to pay the rate levied on them for their own relief, the relief of people like them, and the education of their children. . . . Well, you ask, who else is to pay for the upkeep of Sheffield and the maintenance of its poor but the ratepayers of Sheffield? The answer is the communal values created by the people of Sheffield. The land of that city has been turned to gold by the labour and activities of its citizens. But the wealth thus created has not gone to enrich the people who made it nor for the relief of the poor who made it. It has gone in a golden flood to the treasury of the Dukes of Norfolk who own the land. They have neither toiled nor spun for Sheffield. They have done nothing but receive the tribute of princes from the toil and spinning of others. The money that pours into their laps does not even pay a penny to the poor rates.

Thirty-two thousand Sheffield people are summoned for default, but the Duke of Norfolk is not among them—not because he has paid, but because he is not asked to pay. The workers of Sheffield, the people who have paved the Duke's land with gold, are caught in the terrors of unemployment and are living on poor relief which they have largely to find themselves; but the great revenues of the Duke, created by these people, flow on, untouched even by the rate collector.

Sheffield does not stand alone as the victim of this iniquity. It suffers in common with every great city whose people have laboured for the enrichment of ground landlords who have contributed nothing—not even to the support of the unemployed poor who have made them rich. Why is the Labour Government indifferent to this great wrong.? It has done nothing to repair it. Worse. It not only leaves the ground landlords immune. It turns the screw upon the ratepayer. It proposes to build houses for the poor by the aid of subsidies from that very poor rate which is crushing the poor.

Where is the Party that will release us from the stranglehold of landlordism? That is the question that Sheffield and its 32,000 defaulters hurl at the heads of the politicians. Who is there to answer it?