

## THE DOLE TO THE LANDOWNERS

## HOUSE OF COMMONS DEBATES

## AGRICULTURAL RATES BILL

REPORT STAGE—11th JULY

Debate on Clause 7, which provides for reduced local taxation on agricultural lands and heritages in Scotland, the benefit being secured both by owners and occupiers. Mr. Falconer moved an amendment the effect of which would have been to confine (at any rate the direct) benefit to occupiers only.

**Mr. Falconer** (Liberal, Forfar): Under the Act of 1896 what was done for the occupier was that he was assessed on three-eighths of the rental value of his holding, as appearing on what we call the valuation roll in Scotland. That is to say, the occupier paid three-eighths of the rates levied on him. He was relieved to the extent of five-eighths. The owner was not relieved at all. With regard to the deficiency which arose through the relief of the occupier to the extent of five-eighths, it was provided by the Act of 1896 that that should be met by a grant from the Exchequer. That grant was estimated according to the state of affairs existing in 1895. Some adjustments were made afterwards. Ultimately, what happened was that the amount to be paid by the Exchequer in Scotland, by way of making up the deficiency, was £180,000 a year.

Time went on and rates rose and have continued to rise until now the deficiency is £700,000. The difference between the £180,000 and the £700,000—£520,000 a year—is now borne by the other ratepayers in the district, so that the occupier is at present relieved to the extent of five-eighths of his rates, and the deficiency to the extent of £180,000 is met from the Exchequer. The balance of the deficiency, £520,000, is met by the other ratepayers in the district. That is a grossly inequitable arrangement.

Coming to the proposals of the Bill to meet the situation, a sum estimated by the Government at £480,000 is to be provided out of the Exchequer. Of that sum, no part is to be applied towards meeting the deficiency and rectifying the blunder under which the burden of £520,000 a year was placed on the shoulders of the other ratepayers. What is proposed is that the £480,000 should go, to the extent of something between one half and two thirds, to the relief of the landlords, and that only one third should go to the relief of the occupier's rate. The farmer may ask for some help, because Parliament has injured him, but the landlord can make no such claim.

But there is another point. This payment of rates to the landlord is not going to benefit the industry of agriculture. If you pay the landlord's rates no part of that will filter down into the pockets of the farmer or the farm servant. He will be entitled to keep it all himself, and he will do so. It is suggested that the day of great estates is passing away. I really cannot see how that affects the argument at all. But the statement has been put forward by the Scottish Office time and again. Whether you have the estate in one large block, with hundreds of farms, or whether you have individual farms, of course you have an owner and a tenant, and equity remains the same.

Another suggestion made is that there is a partnership between the landlord and the occupier of the farm, and sometimes even the farm servant is drawn into the partnership. That is the sort of thing that it is very nice to say at a gathering between landlord and tenant, but there is no substance in it. There is none of the elements of partnership in the matter. I am not dealing with a limited definition of partnership. If the owner of a house fits it up for any purpose, whether that of a grocer or draper or a public house, and lets it to a tenant in order that that tenant may use it as business premises, no one suggests that that makes the owner a partner in the venture.

It is the same in the case of a farm. The one thing that the tenant has to watch carefully is to protect himself against being involved in payment of too heavy a rent, or against agreeing to terms which are in the interests of the landlord and not in the interests of himself. There is a constant conflict of interests to that extent. We have in our minds the fact that in hundreds and thousands of cases the landlords have been turning out their tenants in order to sell the land. Is that the act of a partner? If there were a partnership which came to an end in ordinary law, and one partner tried to take advantage of the other, any lawyer would say that that would be regarded as a fraud upon the partnership, and both partners would be bound to deal fairly with one another on the termination of a partnership.

**Mr. Duncan Millar** (Liberal, Fife, E.): The crying need of the industry is that there should be something in the form of security of tenure for those engaged in it and there is also the question of reduction of transport rates and other questions, but I do not desire to carry that any further. I content myself with this concluding argument. If you do as the Government proposes and make an issue before the country as to whether the landlord class—those who represent agricultural land particularly—are to receive a special privilege while the ratepayers are still to bear the heavy burden of the deficiency which they carry at the present moment, you will then challenge an issue which will arouse opinion from one end of the country to the other. We had the experience the other day of what happened in connection with the Land Valuation Clause of the Finance Bill. To-day you are loading the dice again and you are loading them on this occasion in favour of the agricultural landlord.

**Mr. Asquith** (Liberal, Paisley): I do not think there is any demand from Scottish landlords, nor am I in the least satisfied that the money which it is proposed to hand over to them will of necessity go to the benefit of agriculture. This is not a case such as might be put forward in regard to England, where you have to trace the ultimate incidence of relief granted in the first instance to one class. This is a direct and absolute subsidy. It goes, without any possibility of interception, straight into the pocket of the agricultural landlord. You have no security whatever that it will be spent for the improvement of agriculture or that it will become part of the common fund of this imaginary partnership, which is always trotted out on these occasions on the Floor of this House, between the landlord and the farmer, and in which, I observe, the labourer is very rarely included; it is difficult to see how he is going to benefit from this subsidy.

I regard this as a flagrant violation of the rights of a taxpayer in the interests of a small and limited class, from which I cannot see that anybody has pointed out that any real advantage is likely to accrue to the community at large. Therefore, I think it is a waste of the taxpayers' money, and it is the duty of the House of Commons, as the custodian of the taxpayers' interest, to record its solemn and emphatic protest.

**Mr. T. Johnston** (Labour, Stirling and Clackmannan): The naked fact is this, that under this Bill as it stands now, the landlords of Scotland are going to get a present of £300,000 per annum out of the £480,000 which the Government allege that they are giving to the relief of agriculture. That is the cold fact of the matter. The farmers, the agricultural occupiers, who up to now have thought they were going to get some relief, are going to get relief to their local rates to the extent of only £180,000 out of the £480,000 that the general taxpayer is finding. The landowner gets £300,000 per annum, which is just

the amount of money you have taken away from the education of the children—£300,000 as a gift to the landowner, and only £180,000 to agriculture. I do not suppose that on the Report stage it would be in order to trace where that £180,000 will ultimately go, but I think the right hon. Member for Paisley (Mr. Asquith) gave a hint as to where he thought it would go, and I agree with him that the £180,000 will sooner or later go into rent.

There is no doubt whatever about it. It may go indirectly. It may be that the landowner will now say to the farmer, "You are relieved of your rates to the extent of £180,000; you will therefore undertake the repairs to the farmstead yourself." It may be done indirectly, but when the lease runs out and new arrangements come to be made, undoubtedly all past experience teaches us that the £180,000 that you are giving nominally to the agricultural occupier will find its way into rent. But what justification have you for giving £300,000 directly to the landowner—£300,000 per annum to the most useless social class in the country? There is no distinction drawn in this Bill by the Government between the landlord who provides capital and the landlord who does not. All have to come into the bank. It is: "So long as this Government last, come with open hands, for the treasure is here. Come and take your share of it. Come where the booty is easily accessible so long as a Conservative Government are in power." If you had a Scots National Parliament, the Solicitor-General for Scotland and the Parliamentary Secretary to the Scottish Board of Health, the two Scottish representatives now on the Government Bench, would not dare to go to a Scottish National Assembly with a proposal such as this. They do not dare take this proposal to a Scottish Grand Committee of this House. They tack this surreptitiously on to an English Bill—because it is an English Bill—in the sure and certain knowledge that if they did not do that they would never get it through a Scottish Grand Committee.

I cannot understand whether the deer forest proprietor is to share in this swag. (AN HON. MEMBER: "Of course he is.") Well, the Solicitor-General for Scotland says not. If the deer forest proprietor winters sheep on his deer forest, does that deer forest become an agricultural subject? Does it then entitle the deer forest proprietor to come in for a share of the £300,000? We know that this £300,000, some of it immediately, but all of it ultimately, will land into that omnivorous maw. During the sheep boom, land rents rose in Scotland from 600 to 800 per cent. Did they ever go back when the boom was over? The peasants who were sent out to the unreclaimed land at Strathnaver paid £2 10s., not per acre, but for their holding, and when they reclaimed this land the rents of their holdings were jumped by the Sutherland family to £20 per holding. That is a fairly good jump. On the Glengarry estate the land rent was jumped from £700 to £5,000. On the Sutherland estates in 1862 the land rent was £35,000, and in 1882 it was £73,000, but it never went back. During the Napoleonic wars the land rents in Scotland rose, but there is no instance known to us where the land rent ever went back, and there is no evidence whatever that as a result of the remission of rates given by the Act of 1896 the landlords of Scotland were one whit more considerate of their tenantry than they were before.

**Mr. Maclean** (Labour, Govan): Members of this House seated on the benches behind the Solicitor-General for Scotland have time and again denounced subsidies. When it was a case of a subsidy to a miner or a housebuilder they denounced it; when it was a case of a subsidy to this or that form of industry they denounced it; but to-night we find them rallying behind the Solicitor-General for Scotland and voting for a subsidy not because it is going to benefit agricultural labourers, not because it is going to give them the advantage of higher wages or better living accommodation, but because it means giving £300,000 to their own

friends. The Conservative Party has always been a landlords' party.

**Mr. Hardie** (Labour, Springburn): Let me refer to one illustration which will show why we so strongly oppose money being provided for people who have crushed agriculture in Scotland. Let me take the district of Loch Aline and the great Black and White Glens which used to be cultivated and to send their produce annually to the Finny Mill to be ground. In those days hundreds of men, women and children were leading clean, healthy lives; to-day we are asked by this Measure to give public money to the owner of those lands, to the man who, the moment he became the owner, shut up both the Black and White Glens and crushed these particular people out into the industrial centres, and also closed down the mill. To-day what only a few years ago was the home of hundreds of people is closed up. In the rivers Aline and Rannich which fall into Loch Aline anyone standing on the bridges can see the salmon fighting their way up stream, and yet the inhabitants of that district are compelled to eat tinned salmon which has been brought 4,500 miles across the sea because a Tory Government allows this man the right to deny to the local inhabitants the use of Nature's plentiful products, and to send the inhabitants themselves from their healthy lives and happy homes into industrial centres.

**Mr. McLaren** (Labour, Burslem): Whenever a protest has been made during the Debate against the advantages which are given to the owner, there has been this constant introduction into the Debate of the owner-occupier. I take it an owner-occupier is a man who is occupying the land for use, and I would advocate that that man should be freed from rates entirely. I am not saying that the site value should be free from rates, but that every encouragement should be given to him as the user of the land by reducing his rates. But as an owner-occupier he is in the position of receiver of the ground rent, and to that extent he has no more right to claim an exemption from the rates levied upon that part of the wealth which he appropriates as the owner of land than has his large comrade who owns vast estates.

The Member for the Scottish Universities has told us in plain unvarnished language that it was ultimately the owner who paid the rates, and that any rates levied would fall ultimately upon the rent he received, and if the rates were high there would come a time, and he gave an illustration to show it, when the owner of land would be able to do nothing at all because he received no rent. That, in my opinion, gave away the whole of the case for the Government in refusing to accept this Amendment. It means, to put it in an extreme way, that even though you concede to the occupier and to the user of land a certain reduction in rates, according to the argument of the hon. Member it would ultimately go in rent to the owners of the land. The principle behind this Bill, of relieving farmers and the occupiers, not upon their improvements and agricultural development, but merely in rates in so far as their land is concerned, in my opinion is only strengthening the hands of land monopoly, leading, as it will lead ultimately, to a slowing down of the development of agriculture.

**Mr. Pringle** (Liberal, Penistone): On all the land let to crofter tenants not a penny will go to agriculture. That is the far larger portion of the land. There is no deer forests land under that tenancy.

The whole thing is revealed without any disguise as a gift by the Government to their friends. They are making hay while the sun shines. They know that it is not going to shine very long, but they are going to get off with as much loot as they can. Many landowners, to my own knowledge, have made improvements and have done a service to Scottish agriculture but they have got it in the rent. If they have made improvements, drained land, built steadings and done fencing—if you take the better agricultural land in Scotland—the owners have been



getting a return in enhanced rent. Some of the highest rented land in the country is in these areas.

The truth is that two-thirds of this subvention in Scotland is going directly into the pockets of the owner. I think that we can take as a proof of what is the real object of the whole proposal.

In form in England it is going to the occupier. In form in Scotland it is going partly to the occupier, but in reality and in the long run the whole thing will go into the pockets of the owner. It is true that the existing occupiers are going to get some moderate relief, and by the expectation of that relief they are induced to support this proposal, but in the long run it is going into the pockets of the owner.

The Amendment being put was defeated by 192 votes to 131.

*Four Liberals and six National Liberals voted with the Government against Mr. Falconer's Amendment, namely:—*

*Liberals:* Col. David Davies (Montgomery); Major C. R. Dudgeon (Galloway); R. Pattinson (Grantham); and S. Pattinson (Horncastle).

*National Liberals:* Col. M. Alexander (Southwark); Lieut.-Col. A. England (Heywood and Radcliffe); Capt. H. A. Evans (Leicester, E.); W. A. Jenkins (Brecon and Radnor); H. Morris (Bristol, E.); and Sir T. Courtenay Warner (Lichfield).

### THIRD READING—11TH JULY

**Colonel Wedgwood** (Labour, Newcastle-under-Lyme): I beg to move to leave out the word "now," and at the end of the Question to add the words "upon this day three months."

The landlords under Charles II. got rid of their hereditary feudal burden by substituting land laws. Since that time the land taxes have remained, and there has been no attempt to revise them. Also, since that time more and more burdens have been taken off the shoulders of the landlords, and now in the Act of 1896 and in this present Act we are getting a repetition of the same thing, of people shaking the burdens from their own shoulders and putting them on to the public. These were hereditary burdens in the sense that the land was inherited subject to the burden of the poor rate and subject to the burden of local government expenditure. Land has been bought and sold subject to those charges time after time, and now we come along and say we will relieve the landlords of half, or two-thirds, or three-fourths of the burden, and the result will be that the prospective purchaser of the land, in making his purchase, will work out the fact that the rates are less than they were previously, and therefore he is enabled to make an equally good bargain by paying a little more in the capital sum in view of the annual drain of rates having been thus lessened. The natural result is that when a man buys an estate he is inheriting something more than the £3,000,000 which this Bill gives; he is inheriting the capitalized value of that £3,000,000 for something like 25 years.

The result of this Bill will be to make that land dearer, and therefore you make it more difficult for labour to get access. In that way you are creating more unemployment than there is to-day.

The best way of encouraging both landlord and tenant to build, drain, fence and generally improve the property would be to change the basis of rating completely and remove the rates which at present fall upon buildings and improvements. We attempted to amend the Bill in that direction. It was ruled out of order—I do not find fault with that ruling—because it was said that this was a Bill to relieve agricultural land, and not to relieve the improvements upon that land. That is the Bill, and so much the worse for the Bill, even in the opinion of honest men opposite who really want to see agriculture developed, to see two blades of grass grow where one grew before, by the application of labour and capital to the land in order to improve it.

There is no doubt that at the present time every one of the improvements which hon. Members opposite have been advocating, if put into practice by the landlord or by the tenant, would immediately result in a visit to the unfortunate ratepayer from the assessment committee, who would say to him, "You have improved your property, you have fenced it, you have put up new farm buildings, and a new shed for the new motor tractor, and, therefore, we are entitled to increase your assessment and charge you more rates." That is a direct discouragement of exactly the sort of improvements for which hon. Members opposite and on this side have been asking. The only difference is that hon. Members opposite do not follow their own ideas to their logical conclusion, while we on this side do attempt to do so.

I am confident that all that is best in the Liberal party will support us in voting against the Third Reading of this Bill, and in doing so they will perform a public-spirited action, and show that there are, besides the Labour party, people who are determined in these as in other circumstances, to support the public interest against the vested interests.

**Mr. Riley** (Labour, Dewsbury): I beg to second the Amendment.

May I call attention to the experience we have had under previous Acts of this kind. There are two, the principal Act of 1896 and in economic effect the Corn Production Act of 1917. As to whether owners of land have reduced rents or increased them in consequence of these subsidies, let me give the evidence. I am going to put in the witness box a Member of the House—unfortunately not in his place. The evidence is from the Royal Commission on Agriculture in 1919 and one of the witnesses was a member of the National Farmers' Union, Mr. Donaldson, and he was asked:—

"I am asking you for next year now what your view is as to what those prices ought to be."

The reply was:—

"I should certainly say economic prices ought to be higher for next year in view of our having decreasing hours worked by the labourers which will mean increase of cost. Then again you are having increases of rent taking place. That will come into operation on a good many farms next year.

"11,505. Would the rent be about 66 per cent.?—I have cases of rent being raised 60 per cent."

I will now quote the evidence of a present Member of this House, the hon. Member for the Kinross Division of Scotland (Mr. J. Gardiner):—

"13,008. Would I be right in inferring that in your opinion a guarantee would tend to raise rents?—And rightly tend to raise rents.

"13,009. It would raise rents?—I have no doubt of it whatever."

That is the evidence of two witnesses at the Royal Commission. I can give other evidence. In 1919 there was issued a report of the Committee appointed by the Agricultural Wages Board to inquire into the financial results of the occupation of agricultural land on the cost of living. In 1915 we had the War conditions. This inquiry was held in 1919, two years after the imposition of the Corn Production Act, and here are 112 farms from which returns had been obtained, as the report says, "under great difficulties." They found people reticent as to what the increases were. There were 112 authenticated cases spread over almost every county in England, and the result was that, as compared with 1914, the rents on these 112 farms had risen from £27,252 to £32,500. In the case of farms in the Lincolnshire area the rise was 28 per cent.; in Cambridgeshire, 33 per cent.; in Essex, 23 per cent.; in Sussex, 22 per cent.; and in Norfolk, 26 per cent. I have from my own district a concrete case which brings us down

to 1922, and I find that, whereas the farm of which I have particulars had maintained a steady rent of £259, when it came to the year 1920 the rent suddenly rose by £87, and went up to £346. It maintained that rent through 1921. When the Corn Production Act was repealed there was a reduction on that farm of £40, which proves clearly that a subsidy, either in the shape of relief of rates or the price of corn, ultimately finds its way into the pockets of the landlord. We protest against this Bill, because we say that it is not a Bill to relieve agriculture. It is a landlords' relief Bill, and on that ground we will vote against it.

**Mr. Roberts** (Liberal, Derby): I am content to take the description given by the right hon. Gentleman the Member for Chelmsford. He was asked before a Royal Commission what he thought of the method of relief and he said:—

"I think it is a bad method, because the land best able to bear the burden gets the most relief and the land least able to bear the burden gets least relief. That is inseparable from that form of relief and that is one of the reasons, I suppose, why it was made only temporary."

He took a different line to-night. To-night he said that the relief goes to the man who has the heaviest burden, but that was not his view when he was requested to express his opinion before the Royal Commission, and I think his views before the Royal Commission are a good deal sounder than his views to-night.

An hon. Member, speaking a little while ago, said he had made the discovery that the landlord was an unpopular character. I am afraid that is a fact. A little while ago I fought an election in a rural area. Under the surface I never saw a fiercer class war than that which raged in that particular part of the country. (AN HON. MEMBER: "And in the towns!") And in the towns. A feeling has grown up that the landlord is a class of person who ought not to be permitted to exist. (Laughter.) It is no use laughing at that remark. I do not agree with the feeling in the least; but it is there, and it is no use ignoring it. It is for that reason that I deplore that once more the Government have chosen to carry through a Measure that places the landowning class in a very invidious and false position.

**Mr. Acland** (Liberal, Tiverton): Quite frankly I admit that the benefits under the present Bill must pass very largely to the landowners and away from the tenants. I do not think it possible to draft anything which would prevent, when any change of tenancy occurs, the benefit of this Bill passing largely to the landowner. To some extent I agree that the benefit will pass to the landowner even during a sitting tenancy, because the tendency now under this Bill is for rents to come back again, and it is beyond human nature for a landowner not to argue with a tenant that if he has got considerable relief from the Government in rates he does not therefore need so much relief in rent. It would be hypocrisy for anybody to try to conceal that, and I do not think that anybody has tried to conceal it. Certainly in the case of new tenants no power on earth can prevent the tenant from offering the rent which he thinks he can afford, and the lower his outgoings in the form of rates and so on the more he can offer in the form of rent. (HON. MEMBERS: "Did you say that at Tiverton?") Certainly. I have never disguised the fact that I was going to support this Bill, partly because I was a landowner. I think that a great deal of the benefit will go immediately to the tenant and ultimately will pass to the landlord.

**Major Burnie** (Liberal, Bootle): I am not an agriculturist, but I should like to explain why I intend to vote against this Bill. My ancestors were Scottish fishermen who lived in the constituency represented by the hon. Member for Dumfries. My grandfather lived in the time when the Battle of Waterloo was fought. The then land-

owner enclosed a large part of the parish, and that is the land on which we are going to give relief to the present landlord by reducing his rates. My uncle erected his nets in the waters off the coast and was cast into Edinburgh Gaol for three months. These were all poor men. My father built a cottage for his mother and paid £7 an acre for land which was worth 15s. As I understand this Bill, the present inhabitants of the cottages, who are poor fishermen, will have to pay this rate in full, while the landowner who is a millionaire is going to be relieved directly by the Clause in this Bill of three-eighths of his rates. On these counts, which I think form ample ground, I intend to go into the Lobby against this Bill.

The Vote being taken, the Third Reading was carried by 195 votes to 80.

*Thirteen Liberals, nine National Liberals and one Labour voted for the Third Reading of the Bill, namely:—*

*Liberals: F. D. Acland (Tiverton); A. Bonwick (Chippenham); L. Collison (Penrith and Cockermouth); Col. David Davies (Montgomery); C. R. Dudgeon (Galloway); H. Haydn Jones (Merioneth); George Lambert (South Molton); F. C. Linfield (Bedford, Mid.); A. Lyle-Samuel (Eye); F. Martin (Aberdeen and Kincardine, E.); S. Pattinson (Horncastle); Chas. F. White (Derbyshire, W.); and Mrs. Winttingham (Louth).*

*National Liberals: Col. M. Alexander (Southwark); Lieut.-Col. A. England (Heywood and Radcliffe); Major G. L. George (Pembroke); W. A. Jenkins (Brecon and Radnor); Sir Murdoch Macdonald (Inverness); Sir Beddoe Rees (Bristol, S.); Sir T. Robinson (Stretford, Lancs.); Sir Wm. Sutherland (Argyllshire); and Sir T. Courtenay Warner (Lichfield).*

*Labour: W. S. Royce (Holland with Boston).*

The Right Hon. H. H. Asquith, K.C., M.P., will address the International Conference on the Taxation of Land Values at its Session on Wednesday, 15th August, at 12 noon. Visitors' tickets for all Sessions of the Conference may be obtained (free) on application to the United Committee, and at the Town Hall and Ruskin College, Oxford.

We regret that, owing to the exceptional pressure on our space, the reports for the month of what the Leagues are doing are unavoidably held over.

*The postage on this issue of the paper is One Penny.*