(October 14, 1913.)

The Land Question in England.

By Right Hon. Sir Alfred Moritz Mond, M.P.*

AT a special luncheon of the Canadian Club held on the 14th October, Rt. Hon. Sir Alfred Mond said:

Mr. President and Gentlemen,—I owe you at the same time thanks and an apology. Your indefatigable and courteous secretary communicated with me by wire last Friday at Coniston an invitation to address you here on the land question. Well, gentlemen, you had given me such a kind reception when I had the honor to address this Club three years ago that I felt it would be impolite to refuse the invitation. But I owe you an apology, because I have neither had the time nor have I had the materials in order to make to you a speech at all worthy either of the occasion or of the audience I see before me. I must ask you, therefore, to accept this afternoon the few remarks I intend to address to you as the best I can do under the somewhat difficult circumstances.

I would like to correct one or two misapprehensions I see have crept into the public press. I see I was announced to expound the land policy of Mr. Lloyd George. Well, gentlemen, I am not authorized, nor am I in a position, to expound our distinguished Chancellor's land policy. I would advise you to wait till he expounds it himself! (Laughter.) I have not even the cable summary of his speech to enable me to know what he said in opening the campaign. But I would like to point out that not merely may there be some misapprehension as to the speech he made, but Mr. Lloyd George has the intention of making at least six speeches, in which he will progressively deal with the different aspects of the land question in England. Therefore the impatience shown by some of the press because they cannot get from the cable all of his policy is unreasonable; they would do well to be patient till they have the full report of his six speeches.

I think I may, however, say that Mr. Lloyd George is neither a land nationalizer nor a single taxer. In an old country, where

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there have grown up complications through centuries, complications which you in a new country have happily escaped, one has to proceed very carefully, slowly and cautiously, in order to improve conditions, and at the same time take care not to destroy what already exists. Therefore I am certain there is going to be no revolutionary movement; our old country is going to destroy no old interest today.

Of course, when we speak of the land problem, every country in the world has a land problem. As soon as any country begins to alienate land to private interests, it has a land problem, and you find it endeavoring at some stage of its existence to reobtain control of what it ought never to have parted with, namely, its land. When you have a new country of vast area and a small population the problem has not become apparent or pressing; though I can imagine that in a city like Toronto in a short time you will face the problem of having to purchase back at a great price land you have alienated for very little not many years ago. (Applause.) When dealing with England, a tiny country with a very large population, naturally you have the problem, both in town and in the country districts, in a very acute form, particularly when you have permitted those who have been in the ownership and possession of the country for many generations to control your legislature almost entirely unchecked, and they have passed legislation almost entirely in their own favor. The divorce of the people from the soil on which they have been born is a great problem. I sometimes wonder, when I hear the enthusiasm of those who call upon the Englishman to defend his native land, how much land he has, and how he feels when gallantly asked by those who have taken the land from him to defend it against a common foe.

I think the simplest thing for me to do will be to divide my discussion of the land question in England as shortly as I can into these two main lines: first, as to the problem from the rural point of view, and second, as to the problem from the urban point of view. Of course, some general considerations apply to both, but there are distinct problems.

England has a land question of its own. The land system in Scotland and that in Ireland are vitally different from the system in England. Therefore analogies drawn from legislation in these countries could by no means apply to English conditions.

First as to the rural problem. The great bulk, speaking very generally, of the soil of England is in the possession of a considerable number, but not a very large number, of families, who have acquired it very many centuries ago, or acquired it recently. The landlord, as we term him in England, is not merely the owner of the soil he lets for agriculture, but is also the provider of a large proportion of the capital. That is to say, those farm houses that many of you have seen in England, those hedges made, those drains put in, have all been provided by the owner of the land. When the English farmer rents a farm, he rents not merely the land but the homestead, on which a large amount of capital has been expended by the landlord. The farmer, on the other hand, furnishes the agricultural machinery, the live stock, the seed, and provides his labor. He and the landlord are in a way partners, and this dual ownership has complicated the land system.

Now we have a third person, who is largely unknown on this continent but looms large with us, the agricultural laborer, of whom you have heard a good deal, the hired working man, who is usually housed in a house provided by the landlord but let to the farmer. There you have a triumvirate which the system is asked to support, the landlord, the farmer, and the agricultural laborer. It is asking a good deal of agricultural land to ask it to support three different sets of people instead of one. That is one of the economic difficulties we have to face.

In England the usual practice is for the farmer to have the land on a one year rental, an annual tenancy, which can be given notice to on either side, either by the landlord or by the tenant. Although it is perfectly true that in practice this annual tenancy is extended sometimes for the life of a man, sometimes for generations, for as long as the man pays his rent and farms his land properly he is not likely to be disturbed—yet the uncertainty of tenancy is undoubtedly holding back the agriculture of England. That is one of the points on which the farmers most greatly complained to the Commission that has investigated the problem for the Government. If you ask how the problem has become more acute than perhaps it was some years ago, I may reply by saying that on every sale of large estates taking place, changes of tenancy and rent may occur; this creates more insecurity for the farmers than when a man is allowed to continue on his farm, as he commonly does when estates pass from father to son. You must not consider the English landlord as a grasping tyrant, grinding all he can out of his tenants; any picture such as that is grossly unfair and untrue. On the whole the agricultural landlord has been reasonable as regards his land. On the whole he has tried to do his duty by his neighbors. So it is not a question of tyranny; it is much more a question of the

system at stake. The system is not applicable to the business of scientific agriculture. The farmer has had legislation passed considerably in his favor. But the farmer who improves his farm is liable to have his rent raised on the improvements he has made. That does not, of course, lead to the best class of farming. If he leaves the farm he is legally entitled to compensation for unexhausted improvements. These laws do not operate as much in favor of the farmer as they should.

But what the farmers want are two things: they desire a greater fixity of tenure, so that a farmer may know that if he does his duty on the land he will be allowed to remain on the land on which he has sunk his capital; and also many of them want some system of impartial tribunal for the purpose of fixing a fair rent.

The original Irish Land Acts touched the same questions; in 1885 the start was made with judicially fixed rents by their Land Acts. And two years ago the Scotch—who are always more wideawake and clever than the English (laughter)—got a Land Act passed; applied at present to holdings of fifty acres or under, but they wish to get it extended; they also have a tribunal to adjust by law the rent that is to be paid. The English farmer is beginning to ask why he should not have something of a similar character. That is one more of the points to which we have given attention in the new program.

I won't enter upon the long and vexed question of the damage done by game preserves. Of course there is a certain amount of damage done by them, and also a certain amount of exaggeration about it. It is a fact which nobody who studies England can deny, that the soil of a country should not be utilized rather for the purpose of producing pheasants than for people to live on it and till it. I think no sane economist can have any doubt on that point. (Applause.)

These are some of the problems that assailed us at the very beginning. There are many others. For example, the English law of entail. Many estates are in the hands of trustees, who are holding them for the eldest son, and he has no permanent interest, but only a life interest in the same. Some landlords have no capital to use as it might very properly be utilized. This is one of the factors which tend to diminish that progress in agriculture we think we have a right to demand.

One thing which to my mind transcends all other questions is the application of scientific methods to agriculture. No doubt we could almost double the production of the agricultural products which we raise today; this could undoubtedly be brought about in the way of better education, greater research, more application of State money,—what I might call treating agriculture more as we treat industry. To eliminate the loss of poor methods of farming will pay any nation that has the energy and the enterprise to take it up. (Applause.)

I have dealt briefly with the farmer. But I don't think that English agriculture has been as flourishing for many a day as it is today. The increase in price in agricultural land during the last few years has been quite remarkable. I come now to the unfortunate agricultural laborer, the landless man on low wages, with long hours, and of low education, who faced a future of more or less semi-starvation with the workhouse as his refuge in his old days, from which, I am glad to think, our Old Age Pension Act has rescued him. In order to deal with this man, I ask you for a few moments to go back in history; you can't understand the questions of a country with a history such as ours unless you go back to the causes of those questions. Go back, then, to the beginning of the 18th century, and you would have a view of a country in which agriculture was carried on to a very much greater extent in the way in which Germany, France and Italy carry it on than in the way in which it is carried on in England today. That is to say, you had attached to your villages quantities of common land, land to which every commoner had access in certain strips for cultivation and pasturage of cattle. While they had small plots of land, they had surplus labor to give to the farmer for harvest time. A large number of small people were raising stock. They had neither great wealth, nor great poverty.

This summer I happened to have a house in the south of England, in that part known as the New Forest—it is known as "New" because William the Conqueror planted it when he came to England—that is what we call "new." (Laughter). That Forest has always been Crown property, and so it is today. The foresters have largely maintained their old common rights, and the people have to this day the right to turn their cattle loose in the Forest, much as I see them in the bush here; and they are relatively prosperous, at any rate not poor. That is like the condition of England at the beginning of the 18th century.

There arose a school of agricultural reformers, among whom the most prominent was Arthur Young; they contended that the common lands were a bad method, inefficient. They asserted that if you have land enclosed, fenced and drained, and privately owned it can be cared for much more economically. This led to Enclosure Acts mostly in favor of large land

owners known as "lords of the manor." Between 1702 and 1760 the enclosure of about 400,000 acres had been effected by 246 Acts of Parliament; while in the reign of George III. 5,686,400 acres were enclosed under 3,554 Acts of Parliament. And a great deal more than that has passed from the people. A very interesting book has appeared recently, published by Mr. Fisher Unwin, written by Mr. Joselyn Dunlop, on "The English Agricultural Laborer," which shows that there has been a very good kind of transformation taking place in his condition. The whole class of peasant proprietors was practically extinguished. From being an independent person, the laborer had become dependent upon some person to employ him in order that he might live at all. The result was a state of misery, of which very few people have any conception. From that condition, at the end of the 18th century, there has been a great improvement. Another great change came over English agriculture because of the high wheat prices during the Napoleonic wars and shortly after their close.

That was really the beginning of the difficulty we are still laboring under today. We are trying to reverse those conditions. We are trying today to get the small farmer re-established over all the wide country, and England turned to a country where the agricultural laborers shall have a little land and a house of his own,—to make him in fact an independent human being. (Applause.)

This question would have been solved at least a hundred years ago, if it were not for the industrial development; that has obscured the issue. We see today a large population, paid miserable wages, three or four dollars a week, out of which they have to feed and clothe themselves and their families. It is too little; it can't be done! (Hear, hear.) You cannot get efficient labor at this price; the labor you get out of the people is inefficient. If we had more economic wisdom, we should see that a rise in wages, far from increasing the difficulty of getting efficient labor, would be likely to diminish it—(applause)—because the money will go farther, and if a man gets more wages he will work under better conditions. One of our most derelict counties is Essex; to this came a large number of Scotch farmers—and the Scotch farmers are the best we have. (Applause.) They will take up farms, places that others could not make pay: they get them for low rents, and on long leases, you may be sure! (Laughter.) They found a few poor agricultural laborers who had been working for very low wages; and they immediately raised their wages. Now when a Scotchman parts with any money that he need

not part with, you may be sure he expects he is going to make something out of it. (Laughter.) Very well! that was what resulted in this case in Essex; these Scotch farmers got better labor by raising the wages. (Applause.)

These conditions are intensified by the housing problem. It is not difficult to understand, but it is difficult to solve. For one thing, we are something like a hundred thousand cottages short. Secondly, there is a continually increasing standard of requirements for cottages. Some of you, when motoring through England, have seen those cottages, clad with honeysuckle and roses, and have thought "How charming they are!" But when you investigate them more closely, you find there is no drainage system, the water comes through the roof, there are no windows, the floors are damp, the people in them are living much too close together, breeding tuberculosis and crippling rheumatism and typhoid. And you understand that this has been their condition for centuries. A great many of these cottages are in rural areas, where disease is much more rife than in cities.

A low wage affects the business man who wants to build cottages. Unless he is able to get sufficient rent he cannot have interest on his capital. If a laborer is getting a low wage, he is not able to pay him more than one or two shillings—that would pay a week's rent for a cottage. A cottage cannot be built to pay rent and repairs on such low terms.

There are two policies dividing public opinion, the one is in favor of state and rate-aided cottage building, and if the cottage is cheaper than is economic to the laborer the state and local authority bear the difference in cost. The other is for the laborer to get a large enough wage to enable him to pay a fair rent.

Personally I am in favor of a man getting an economic wage, to enable him to pay enough rent for a cottage. The question then arises, how far his wage can be raised. There you come back to a very difficult question which has occupied the House of Commons as far back as 1796, when a Bill was read a second time, whereby there would be a legal minimum wage for agricultural laborers. I am not fond of legal minimum wages if they can be avoided; but when this plan has been established by trade boards it has worked extremely well. If there is no other way out, I am sure I should not be surprised to see a legal minimum wage taking care of agricultural wages.

Then there is the difficulty which faces every country today—how to keep the people on the land, how to prevent the

overgrowing of cities. This problem is right in front of us, and it is baffling. As long as people on the land cannot earn as much as in the city, you can't keep them on it. The first thing to do would be to pay a man sufficient wages to induce him to stay on the land. Then, of course, you have to counteract what you might call the city pleasure movements—to make country life more attractive. Not in the way of the reformer and leader in benevolent philanthropy, which has been adopted often by the clergyman and the squire, who between them have bestowed upon the agricultural laborer a well-meant but misplaced attention, which has induced many to quit and go into the town, where nobody looks after them. And there are many other aspects of that kind. A good many of those living on the land, as I have said, have been benevolently disposed, but a very considerable amount of despotism has been shown, affecting people's religious and political freedom. He who has great favors to bestow possesses great power; for when a man can't get a new kitchen range put in because he is not of the same political complexion as his landlord, you can see that while the landlord is doing nothing absolutely wrong there is a strong inducemnt for him to vote as his landlord wants him to. (Laughter.) These conditions lead one more and more to see that houses must be provided, and not merely by private individuals but by local authority, so that the man feels, as he does not now in many an English village, that if he comes up against the landlord it does not mean exile or ruin. In some villages today many houses belong to one man, and if any man goes up against the landlord today he has to quit the place. Such a man does not know what to do when he is forced to move and to seek employment elsewhere. Here you are more used to mobility than we are, you are more used to traveling and getting about in a large country; our people are fearful and afraid of moving about trying to get another job. When a man has a house he feels that whatever happens he can stay there as owner as long as he likes.

Another question has had great attention given to it and has been the occasion of a considerable amount of legislation. I was drawing your attention to the divorce of the people from the land, and the extinction of the small holder. There has been some legislation along these lines already. The Government now in power has passed—not by any means the first Act, but I think the most effective one, which came into force on the first of January, 1908, which gave the County Councils power to acquire by purchase small holdings not exceeding

thirty acres or less than three acres. Since then, in 1908 and 1909 County Councils acquired 60,889 acres for the purpose of the Act, and six thousand small holdings have been created. That is at least a start in the right direction, but we want to do a great deal more. (Applause.)

In the matter of land for public purchase, where there are great private interests, as in England, it is much more difficult, you can understand, for the private interests get the best of much of the legislation. It is safe-guarded with so much red tape, and tied up with so much machinery, and so much of supercharges and legal charges, which enable men to receive so much more than they have asked privately, that you have to charge high prices. I think the guiding principle should be, that the people exist first, and the land exists afterwards. (Hear, hear.) Where public interest conflicts with private interest, the public interest ought to be first considered. (Applause.) That simple principle would effect a great change in our legislation.

A good deal has to be done along these lines also in the urban districts; because in our towns you are right up against similar difficult problems of private enterprise under private control.

The constituency I have the honor to represent, Swansea, in South Wales, like our whole district, is growing at a rate I think you can scarcely understand here so far as population is concerned. We are short an enormous number of cottages. Our corporation at present is laying out a garden city of some six hundred cottages. We have some of our towns girdled around by people holding up land with no other purpose than to try to get as much as possible out of it. (Hear, hear.) These people are serving no earthly purpose to the community; they are employing neither brains nor capital; they are simply sitting there to make use of the necessity of the people who will come to live there, in order to enrich themselves out of their need! (Applause.) Any legislation which tends to destroy that kind of thing is useful. Speculating in land has never done any good to any community. (Applause.) The developer of land is an inestimable boon to any community. (Applause.) But there will be this divorce of people from the land so long as legislation is a tool in the hands of those who own the land simply to use it for themselves.

Then you have the leasehold system. It is impossible sometimes to acquire a piece of freehold land at all from a wealthy man. I think the architecture of our cities shows this. People are not willing to expend large sums to enrich other people's

property. I think any system of purchase which would enable people to acquire freehold property in cities would be good.

I am not sure that we shall not have to limit what is a fair rent for a man to charge in the city. You find in the industrial portions of our city rents are beyond reason, owners charge the workmen rents which cannot be paid by them without hardship. This manipulation will have to be curbed in some way by legislation.

Another evil we suffer from, which may affect other places as well, is our extremely inequitable system of local taxation. (Hear, hear.) Like many other things, that dates back to the reign of Queen Elizabeth. (Laughter.) It is unsuitable in England to-day. The idea of rating a man by the rental of his property is unsuitable. A more unsuitable system to our industrial conditions you would find very hard to imagine anywhere. (Applause.) It is another great defect, that we rent and value not the site of the building; we rate the rental value of the composite object, the site and the building; that is to say, if I have a house in a street of high site value, it may be a small building at a low rent, and I pay much less in local taxation than the man next me, who puts up a high building. The result of that system is to discourage building enterprise. If the moment a man puts up a building you immediately fine him for having done something to increase the prosperity of the community, you encourage people to use the land badly; the worse they use it the less you fine them! (Applause.) A more unbusinesslike national method of taxation I think it would be impossible to find. (Applause.) By the Parliamentary group on land values taxation one point will be pressed,—and I am glad to see that the Chancellor mentioned it in his Bedford speech,—I am confident that if you shift the taxation from the building to the site value you effect a great improvement. And I don't see how you can hurt any person. (Applause.) When you see vacant land contributing not one farthing above the lowest rate, if I bought a piece of land and put up a store or a building of any kind, immediately the rate collector would charge me a rate on it! Of course it won't all be done in a day. I hope it may be done in my life time. (Applause.) You have to do it slowly, gradually. You can't shift all at once contracts and legal bargains which have been in force for many years.

The whole question of taxation of land in general for general purposes is in a muddle. It would be impossible for me to explain this afternoon, or possibly on any afternoon, the enormous complexity of it, and its relation to our local taxation account and our Imperial taxation account. There is the greatest muddle almost that ever existed, and where it very strongly needs reform. Educational funds are partly paid to local authority and partly to the central body. All through we need some system of land taxation to relieve the poorer and highly burdened classes where land has become of enormous value, and any such reform is to be very greatly encouraged. When we talk of site value, we mean unimproved site value, not buildings, so any man may develop it as much as he can. The definition adopted by the Finance Act in great measure is, value denuded of any form of improvement created by any individual, but made by the concretion of efforts of the community in which it is situated, which gives that land a value.

I have only extremely imperfectly and very hurriedly dealt with a few corners of the problem. You realize, from the few remarks I have made, how complex and difficult and vast it is. We can't end it by any patent pill in order to deal with land reform; there is no one royal remedy, no one road, to the solution of a large number of difficult problems. There will have to be a large number of remedies. You will have to combine ideas of many schools today antagonistic in order to achieve final success.

I saw a very amusing article in a paper the other day, which said that the whole English land situation could be summed up in four lines. It said the Conservative side of the question was this, that letting farmers buy land they would thereby become Conservatives; while the Liberal aspect of it was that by keeping a man a tenant he would thereby be discontented with the landlord and become a Liberal! (Laughter.) According to that reasoning, we should have a great mass of Liberal farmers; but the percentage of farmers who vote Liberal is extremely small. The farmer is essentially by temperament Conservative.

But that is not the essential difference between the Unionist and the Liberal land policy. The Unionist land policy, as Lord Lansdowne has outlined it in part, is based more or less on the model of the Irish Land Purchase Act, which is based on State aid by cheap money loaned by the State, to enable the farmer to pay the landlord a high price for his farm. When a landlord like the Marquis of Lansdowne sells lands, he would very well like to deal with English questions the same way. I can well understand that. But I fancy that when he goes to his friends in the city, the financiers, to ask them where the money is to come from, and on what terms, he would be up against a financial proposition that no responsible statesman would take up.

I am not opposed to land purchase on political grounds. But Lord Lansdowne would not make it compulsory, so what can the farmer do in case the landlord won't sell? If our plan were introduced, it would enable the farmer to lease the land at a fair rent whether the landlord were willing or not. The English farmer does not wish to buy the land; he does not want to tie up his capital, but he wants to pay a reasonable rent. If he buys the land, he has to raise a mortgage, and perhaps is no better off, perhaps is worse off, than if he had to pay rent to the landlord. You have merely substituted the mortgagor for the landlord. Many farmers have no desire for this system in England; in Ireland they have. There is no use to try working out land reform for people by giving them what they don't want. That, therefore, is the difference between the two policies.

The problem is very big. All we can do, or hope to do, is not so much to try to lay down a hard and fast line, which you must follow, and which every one must follow, as to establish the facts which will be published in October. These facts we shall have to thrash out by discussion and argument, in the manner common in British communities. We shall review the conclusions and arguments, and we think when that winnowing process has worked out for some time, and every one has contributed his thought and experience, all will be satisfactory. I sincerely trust and hope it may so work out the program, and help to regenerate the country of which we are all proud, and from which many of you have come; and may restore to the land many of those now divorced from it, and may get rid of the disgrace that a great many of our population are living under the subsistence line in places worse than those in which many animals are housed; that it may place them in homes, not merely houses, so we shall have a free and decent people dwelling in decent homes. That will be, not only a great land reform, but a benefit to the whole community.

If we succeed in bringing into practice only partially all this dream, I think we shall not merely have done a good service to the country, but shall have done a great service to the Empire. (Applause.) It is of essential value to you that the stock from which the Empire is recruited shall be of the finest; that the people of the Mother Country shall remain strong, virile, healthy; and that everything in human reason shall be done to improve conditions; so that you can at all times be proud of them in the face of the entire world. (Applause.)