

Hansard Small Holdings Colonies

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VISCOUNT GALWAY

rose to call attention to the Report of Proceedings under the Small Holdings Colonies Act, 1916, and to move—

That, a detailed balance sheet of the Patrington Farm from April 6, 1917, to April 6, 1918, be laid before Parliament as soon as possible, as well as the acreage now under wheat, barley, oats, and potatoes.

The noble Viscount said: My Lords, very few words are required from me to explain the reasons for my Motion. Your Lordships will remember that in 1916 a scheme of small colonies was suggested, limited to a small number, as an experiment, and it was undertaken that accounts should be rendered so that the taxpayers of the country and those interested in agriculture might know how the schemes proceeded.

Amongst these colonies was one called Patrington, which was acquired in the Autumn of 1916, the Board of Agriculture only taking possession in 1917. The extent of the property was about 2,300 acres, of which 1,750 are arable, and I might say it is some of the best and most fertile land in the whole of the East Riding of Yorkshire. The accounts have been produced, with great difficulty, and I must confess they are only for nine months up to December 1. Practically they do not give much information. They are a little—shall I say? camouflaged, although I do not hold the noble Viscount who is going to answer in the smallest way responsible for the sins of omission or of commission which took place in the year 1917. I hope now that he hears what has happened he will devote his energy to try and correct what has taken place in the past. I have some of the figures here which I think will rather surprise Your Lordships, and convince you that a great deal has been done that ought not to have been done, and a great deal has not been done that ought to have been done.

What I take exception to in the way the accounts are put forward is that the capital expenditure is mixed up with the farm. I think the taxpayers of the country, as well as those who are consumers, have a right to know whether the land is properly fanned and producing what it ought to produce. Therefore I think the capital expenditure should be kept entirely separate. A large sum of money is put down for outlay on cottages. Some of these cottages are not yet completed, and we do not know how much they are going to cost. I think it is a matter of great importance that at this time, when there is so much talk of cottage building, we should know what the Board of Agriculture say these cottages ought to cost. There is an item of £19,000 for the erection of cottages and equipment. I do not understand what is meant by the word "equipment" there. Does it mean that it has been spent on roads? I see no mention of roads in the accounts. Your Lordships will be surprised to hear that many of the roads that were there were absolutely out to pieces because so much of the work was done at the worst time of the year, when snow was on the ground. The steam tractors cut them into such a state that an enormous quantity of new bricks, over £1,000, were put down in order to fill up the ruts in roads which were in good working order for agricultural purposes before. I understand that a contract has now been entered into with the Road Board to repair these roads, and that it amounts to £7,500, of which no mention appears in the accounts. It is quite true that it is capital expenditure, but I think the taxpayers of the country should know what is the capital outlay on this farm.

Then we come to the question of the production of food. This land is some of the best land in the district, and when the Government took it over it was all in first rate working order except for one

corner of one farm, where the man was short of labour. I am told that if you had sent a War Executive Agricultural Committee over it they would have reported only some three or four fields not up to form. The rest of the estate was in good order. I know the accounts are for nine months only, but the amount of the stock sold is £2,300. I have endeavoured to make inquiries as to what the farm usually produced, and I am told that, on an average, about 1,000 lambs were sold every year (500 were bought in the spring to graze on the grass, and afterwards sold), about 400 pigs and several horses; yet in the nine months all that this acreage has been able to produce is only £2,300. In these accounts corn and seeds are put down at £900. I have been asked to find out what is the average on the land, and I am told that a great deal of the land grows nearly seven quarters of wheat per acre, but a calculation has been based on a lower rate than that, and for the last twenty years the average annual produce, I am told, is over 6,000 quarters of cereals. Allowing for home consumption there is about 4,700 quarters of cereals sold off the land. That is the reason it is most essential that the country should know what the farm has produced during the year. There would have been a great outcry from the Board of Agriculture if any landowner or tenant had not produced more cereals from 2,300 acres than we can reasonably suppose will have been produced from these 2,300 acres. In the accounts the word "rent" is put down but no payment made. That is another item which will not, I am afraid, be to the profit of the farmer.

I come to another part which deals with something that has created a great scandal all over the East Riding of Yorkshire, and that is that four very good farmers were turned out of their farms although there were 1,500 acres of land near which the tenants were leaving voluntarily that could have been taken. Moreover, I understand that the tenants were promised at the time that they should receive compensation for disturbance, but they have never heard a word of it. Worse than that, on May I—I have made particular inquiries about this—they had not even been paid their ordinary tenant rights. I am told that those amount to a sum of about £7,000. It is not creditable to the Board of Agriculture that they should allow such a scandal, and I am quite sure that now it is brought to the attention of my noble friend he will see that it is remedied as soon as possible.

The Board of Agriculture, in their statement, say that the land is going to be farmed in future on a profit-sharing basis. As there are no settlers I do not know who is going to enjoy the wonderful shares, nor do I see where the profit-sharing comes in. I myself doubt whether there will be any profit at all with these heavy items. I hope, not only in the interests of the taxpayers but also of those concerned in the production of food for the country, that we shall have an exact statement of what the farm has done in the farming year from April, 1917, to April, 1918. I also ask that the capital expenditure shall be kept separate, and that in the interests of agriculture we should know what acreage is at the present moment under wheat, barley, oats, and potatoes, so that the country may have some idea of what is going to be produced from these 2,300 acres for the 1918 harvest. Landowners and tenants have been urged to make every effort to produce as much corn as possible, and I should like to know what this famous farm is going to produce. It is absolutely necessary that these figures should be clearly put before us, because remarks have been made in another place that there is a proposal to develop the system of small holdings colonies. We have therefore a right to know whether or not they are going to turn out a success. I beg to move.

LORD HARRIS

My Lords, I cannot, as my noble friend has done, offer any experience from the point of view of personal acquaintance with these properties. One thing, however, is perfectly certain—namely, that my noble friend Lord Selborne, who took so much interest in this venture, must be deeply disappointed at the result. But in justice to him it must be acknowledged that what he contemplated in the original scheme has been, owing to circumstances which he could not foresee, rendered absolutely impossible. His idea was to plant a certain number of disabled soldiers and sailors—Service men—on the land in holdings of twenty-two to forty acres a-piece. As we know, every able-bodied man is required for service with the Army, and therefore it is only seriously disabled men

who could take advantage of the offer of portions of this land, and they are probably poor fellows so disabled that they are not able to undertake farming operations. I submit, therefore, that, there is no blame whatever attachable to the original policy from that point of view. But there is another point of view in which to look at it—the economical and practical. Lord Selborne, in recommending this to your Lordships two years ago, claimed that it should be dealt with from a commercial point of view. He said that, with careful management and a determination not to spend money for which interest could not be paid by a properly chosen smallholder, he was sanguine enough to believe the scheme could be made a commercial success. The sums he gave were a rough indication of the limits between which, for the purpose of these three colonies, the Treasury would be asked to find the money. In the Bill as it was originally there was no provision whatever for accounts, and my noble friend who has just spoken and I pressed upon your Lordships at a subsequent stage of the Bill that provision should be made for a statement of accounts annually. This White Paper which has been presented to your Lordships purports to set before Parliament a state-meat of account. I am afraid that I must offer this very drastic criticism—that from a farming point of view it is absolutely impossible to make head or tail of these accounts. It so happens that it has fallen to my lot to have had to elaborate a system of farming accounts. This was done not from any particular wish of my own originally; it was forced upon me in the bad times. During the course of some twenty years or more I and those who have helped me in the farming of my land have elaborated a very careful system of accounts. In any presentation of farming accounts, if they are to be of any use at all—your Lordships who have similar acquaintance will agree—it is absolutely essential to begin and end with the valuation of the capital employed; and this must be made annually, otherwise it is impossible to work out whether there is a profit or not. This has not been done in this case, and I submit that this is not a proper form in which to present an account of a Government experiment in farming. I think that my noble friend below me who is now the representative of the Board of Agriculture in this House will agree with me in this, and will take care that another year the accounts for each of these undertakings shall be presented in a form which is intelligible not only to laymen but to those who are acquainted with this particular industry. I have not stated my own opinion alone. I advanced this view to an expert, and this is what he said— "With regard to the accounts as published, I am quite at a loss to understand them—" This is a man dealing with farming accounts every day of his life— "as they are made out only for a portion of the year evidently. But one thing is certain. Whoever drew up the account is mixing up capital and annual expenditure. It is really impossible to give a reasonable criticism of the account as drawn up, but I observe that no rent or any sum in lieu of rent is charged." Two years ago when the Bill was before us I took the liberty of advancing criticisms as to the prospects of this enterprise being a commercial success from the point of view of the taxpayer, and also from the point of view of the settler. My view was that it was highly improbable that it would be a commercial success for either, and I am bound to say, so far as it is possible to make out from these accounts, the experience of these two years seems to bear out the prophecy on which I ventured. The cottages on the Patington estate, as far as I can make out, cost over £600 apiece. The Report says, on page one, that twenty-three pairs of cottages are in course of erection, and that about fifteen pairs of cottages have been completed; and the accounts show: "Estate (erection of cottages and equipment), £19,525," which is about £600 apiece. In my estimates, when I thought there was very little hope of success for the colonists in my own neighbourhood, I estimated cottages at £200 apiece, which is putting it very low, and, of course, prices have gone up enormously since. But it has made the chance of success so much less, because the colonist has to pay a rent for the cottage, and in order to make the thing a commercial success for the State I do not think he could pay less than 5 per cent. on the capital outlay—at least I imagine that that is going to be the system. I do not suppose that these people are going to be allowed to occupy cottages at 3s. apiece. In the case of Patrington it is proposed to put on such a number of settlers as will give them about forty acres apiece. At the rent at which the land has been hired, that will cost about £60 a year. There is the rent of the cottage at 5 per cent., say about £32 a year, and then the man has to find interest on the working capital. I took it two years ago at £10 an acre, and our experience now is that you have to put more than £10 an acre into land in order to farm it

properly. That will come to another £20; and the figures work out at approximately the same for Heath Hill, so that it looks as if a man will have to find before he can put anything to the profit side something like £100 to £112 for his thirty to forty acres of land—in fact, nearly £3 an acre. £3 an acre will have to be paid for land which the Government has hired at about £1 15s. an acre. If that land was rented fairly when it was taken over by the Government at £1 15s. it is obvious that the unfortunate colonist is going to pay a very exorbitant rent, and I think it is even less probable than it was two years ago that he is going to have an attractive proposition put before him. The cost for the purchaser of these properties, or the hire of them as the case now be, must obviously be very much heavier than was originally contemplated by Lord Selborne, because the cost of carving up the land for this number of settlers must be considerably more than was originally contemplated, the roads having been smashed up, so that so much more has to be spent upon them. Therefore I cannot see that the experience of the last two years has done anything to show that this is likely to be a successful experiment when we can get the men. That was what I apprehended before, and what I warned my noble friend about. But it was a most philanthropic object, and none of us liked to check him; he was so enthusiastic about it. All we could do was to warn him at the time, but he appeared to us to be far more optimistic than was justified by the experience of small holdings in many parts of the country. I have had a very considerable experience of small holdings, and my experience is that a man's success is not due so much to agriculture. Take a man who has his £400 working capital. You have to assume an enormous annual percentage for him to be in a better position after he has paid his rent. He has to make an enormous interest on his acreage in order to put him in a better position than the ordinary agricultural labourer, and of course, as the property becomes more and more expensive, owing to expensive cottages and so on, it becomes more difficult for him. My experience with a great number of small holdings is that the man who is successful is successful not so much because he has a bit of land which he works well, but because he has some other business which he works in with the land, and therefore he is occupied all the year round. Those are the successful small holders. I am afraid that my noble friend below me (Viscount Goschen), if he is as enthusiastic as Lord Selborne was, must prepare himself for some disappointment if he expects this to be a success, either from the point of view of the Government or from that of the colonists.

LORD STRACHIE

My Lords, I desire to say how entirely I associate myself with the noble Viscount who brought forward this Motion. I was one of those who said that, although I thought this a very interesting experiment, it would be very much better if the Government instead of experimenting themselves, had entrusted the matter to the hands of the county councils,—bodies who have shown in the past how very well they carry out small holdings, and without any loss at all. I ventured to prophesy that under Government management we should only see the usual great expenditure and the usual want of knowledge in carrying out such a scheme, which can be infinitely better done by local bodies such as county councils. That was always the argument used by the Government to which I belonged, which existed when the Small Holdings Act was passed. From these accounts the experiment has evidently been in the hands of people who may or may not have had local knowledge, but who seem to have treated this matter in a most extraordinary way, without any practical experience, and to have carried on in a most extravagant manner. I only hope that this interesting experiment, as it is in a sense, will be a warning to the Government and the Board of Agriculture not to proceed any further with the other Bill, now in another place, in which they propose to take something like 80,000 acres when opportunity offers. I should like to ask the noble Viscount (Lord Goschen) why the Board of Agriculture do not carry out the directions of Section 10 of the Small Holdings Act, which runs to this effect— "The Board shall present to Parliament an annual report of their proceedings under this Act, which shall include a statement of the financial position of each colony." It is quite true that they have presented it to the House of Commons, but they have not presented it to this House. I found it impossible to get a copy of it here; it had to be got from the House of Commons. And it seems to me all the more strange because, if my recollection is right, it was in this House that the section was put in insisting that the Board of

Agiculture should lay a Return. It is very strange that members of this House do not have the same facilities as members in another place. I hope that my noble friend will look into the matter and see that it does not happen in future, and I trust that the noble Viscount will press for further details.

THE JOINT PARLIAMENTARY SECRETARY OF THE BOARD OF AGRICULTURE
(VISCOUNT GOSCHEN)

My Lords, the two noble Lords who have spoken from this side on the Patrington estate have passed some severe criticisms on the policy which the Board has pursued. The criticisms were chiefly directed to the system of accounts, and I am glad to be able to inform your Lordships that a detailed balance sheet will be prepared as soon as possible. As a matter of fact, a new branch of accountancy has been set up in the Board of Agriculture to deal especially with the accounts of these colonies. It is at present at work. It is desirous and anxious to make these accounts dealing with the colonies a model statement, and the accounts are at present in preparation. They go back to the sums which were expended from the very beginning when the colonies were started. We hope to have them published in a very short space of time, and I trust that when they are published the form in which they are prepared will satisfy the demand of the noble Viscount. Now, with regard to the Patrington estate. With a view to limiting the expense of these small holding colonies the Board decided to acquire two of the colonies by lease instead of by purchase. The Patrington estate was one of those which it was decided to acquire by lease. As your Lordships will understand, it is not an easy matter in this country to acquire a large area of land voluntarily, especially when it is wanted in one block, and the land in that block to be of a good and even quality. Also, the acquisition of agricultural land by a long lease was somewhat of a novelty. I think, therefore, that the Board were fortunate in being able to obtain this land voluntarily, especially as they could get early possession of it by disturbing only two tenants of good standing.

VISCOUNT GALWAY

Four.

VISCOUNT GOSCHEN

Only two tenants of good standing, because, although at the time when the negotiations were completed the property was let in four parts, the tenant of one which comprised over 700 acres was under notice to quit for unsatisfactory farming, and another farm, of 250 acres, was held only on a temporary tenancy owing to the death of the former occupier. There were certainly great facilities for acquiring this land. A great deal of this land was in very bad order, and the Board did everything in its power to get it into good condition. I am sure your Lordships will agree that the time the Board acquired it, and the time they were working the land, was one of great difficulty with regard to labour and the cultivation and the stocking of the land. There was a very great deal of work to be done on these farms before they could be ready for the ultimate use of the settlers. Unfortunately, as I agree with the noble Viscount, there have not been a great number of applications for land on this colony. But what the Board always had in view was that they should have everything ready in the land, and that they should be able to profit by their experience as to the course of cropping which was best suited for the time when demobilisation came, when they hoped, and still hope, that there will be a good demand for work on these colonies. The noble Viscount who asked the Question rightly stated that at first it was intended that this colony should be worked as small holdings and that the holdings should be let to ex-military men. There has been a modification in that scheme—namely, that for the present the land should be worked as one farm on a profit-sharing basis, and that the men on the land should be paid the local rate of wages. That, as I say, is the system which they are pursuing for the present at any rate, until they have gained experience, until they find what are the capabilities of the land, and until the land has been thoroughly prepared. The noble Viscount has asked what is the cropping of the estate. I can give him the figures. The acreage under wheat is 644 acres; under barley, 76 acres; under oats, 331 acres; and under potatoes, 13 acres. Other crops—beans, 88 acres; peas, 158 acres; mangels and roots, 58 acres; flax, 6 acres; temporary pasture, 227

acres; grass, 524 acres; and fallow, 177 acres. As has been stated, about £10,000 has been expended in live stock; more was not expended at the time on account of the high price of stock. I can assure your Lordships that the Board of Agriculture is desirous of doing everything that it can to render this colony an efficient one, and to get the land into a good state; the soil is fertile and it is excellent corn-growing land; and I hope that, when the cottages are completed and things resume a normal condition, we shall receive more applications for tenancies in this colony. With regard to the question of tenant right, about which the noble Viscount asked me, I understand that the arbitration has just been completed. The papers were received only on Saturday at the Board of Agriculture, and I am sure that the Office of Woods and Forests will now take the earliest opportunity of completing and paying the accounts.

THE LORD CHANCELLOR

Does the noble Viscount press his Motion?

VISCOUNT GALWAY

I wish to withdraw the Motion, as no doubt the Return which the noble Viscount promises will be given to us as soon as possible.

Motion, by leave, withdrawn.