

Attached some more information on British land values. A report on British stock market will follow in a few days after the latest Economist (which contains the annual survey) gets here.

R.M.

3/20/45.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date March 19, 1945

To Mr. Musgrave

Subject: Land Value Controls in England

From Mr. Bunce

I have talked to Professor Robert Rae, Agricultural Attache of the British Embassy, regarding land values in England. He stated that he did not believe there had been any large increase in agricultural land values and that as far as he knew there had been no special control programs developed. He is asking the Ministry of Agriculture to send him a report on this.

Mr. Goshen, a farmer attached to the British Financial Mission, stated that he believed farm land values had risen quite substantially (over 50 per cent) but this is purely a laymans point of view. No statistics are available and no reliable statement can be made on the basis of the reports I have been able to obtain.

As far as I can gather from Professor Rae, Mr. Goshen, and Dr. Ogden, Office of Foreign Agricultural Relations, the lack of specific controls is simply a reflection of the fact that there are many other controls over prices and profits. All land sales are subject to the approval of the War Agricultural Executive Committee while rents and tenure relationships have been controlled by law for many years.

The Agricultural Holdings Act of 1923 was amended in 1934 and, under the present law, a tenant has to be notified in advance of any increase in rent and can appeal against the increase to an arbitrator. When the landlord and tenant cannot agree on an arbitrator the Minister of Agriculture may appoint one. A tenant may also ask for a decrease in rent and, if not granted, he may appeal for arbitration. From 1929 to 1934, 229 disputes were arbitrated and rent was reduced in 211 cases, increased in 9 cases, and not changed in 9 cases. I can find no reports on rents during the war but the general impression is that they have not risen greatly.

As soon as more detailed information is available I will send it to you.

