EDITORIAL.

LANDLORD—TENANT RELATIONS.

Many years ago the so-called "home maintenance area" became a basic concept in the developing land policy of this State. The family-sized farm was the objective sought, both on new lands and on areas already taken up by large owners in the early years of settlement. More recently the question of defining an adequate size of farm for family operational purposes has become a crucial element of policy. Mistakes have been made in the estimation of a "proper" size of farm, but the fact remains that the family farm has been the objective. In addition, in the early part of this century, the "closer settlement" of areas of early settlement where holdings already exceeded the needs of a family operational unit became established policy. A progressive land tax, restrictions on the acquisition of land by people already holding an area exceeding a home-maintenance area, and even resumption of estates for the purpose of redistribution into family holdings, were all designed to promote closer settlement. By 1940 some 1,854 estates, totalling over 4-million acres, had been acquired and redistributed to over 9,000 smaller farmers.

In the formulation of land settlement policy in New South Wales it has always been tacitly assumed that in general farmers should own the farms they work. It is true that there have been differences of opinion as to how ownership rights to landed property should be distributed between the Crown and the individual, some favouring complete private alienation and others a lease in perpetuity from the Crown. But there is no question that in general the tenor of opinion has not favoured private landlords.

With the passing years it has nevertheless become apparent that private landlordism is not necessarily to be associated only with the large landowner. Many family-sized farms have tended to pass over to tenant-farmer or share-farmer operation. It is interesting that in New South Wales this trend has not called forth opposition forces in the same manner as happened in the United States when a similar situation became apparent. In that country special legislation was introduced to aid tenants to obtain possession of farms; the general reaction was that tenancy indicated degeneration. Opinion in New South Wales seems rather to have followed English example, and hence it has been realised that tenancy is not necessarily undesirable. There are indeed advantages to be seen in tenancy in the way of spreading risk and capital expenditure. But at the same time, in the interests of tenant-family security, farm efficiency and conservation, it has long been obvious that the form which landlord-tenant relations take is of the greatest importance. Society is an interested party when it comes to the efficient use and conservation of natural resources.

In English history it has been found that satisfactory landlord-tenant relations tend to revolve around certain major principles. Perhaps chief among these is the idea that the person exercising the right to use agricultural land, quite apart from ownership, is entitled to reasonable security of tenure, reasonable compensation for improvements effected but not exhausted at the termination of his tenure, reasonable latitude in farming operations and reasonable rent. The landlord, it is claimed

further, has very definite responsibilities both in the way of farm maintenance and in respect of land management, as distinct from farm management. At the same time it is apparent that the landlord should be able to prevent bad farming on the part of the tenant.

These concepts have become embodied in English written law. The English Agricultural Holdings Act of 1923 was used as a basis for the 1941 Agricultural Holdings Act of New South Wales. This, the first farm landlord-tenant relations legislation in Australia, has been operative for more than a decade, and its effect and influence on landlord-tenant relationships in New South Wales is now being examined so that necessary amendments can be introduced. On the basis of English experience the present legislation must be viewed as an experiment. Already the 1923 Agricultural Holdings Act in England, in spite of its long preceding history, has been superseded by the 1947 Agricultural Act and the 1948 Agricultural Holdings Act.

Perhaps in New South Wales there has been a tendency to follow English legislation too closely under the rather different conditions that exist in this country. On the other hand there may be elements of the English 1948 Agricultural Holdings Act that deserve study. One of the key problems in this State has proved to be that of spreading an understanding of the rights and obligations of landlords and tenants under the Act. A further major problem relates to the position of the share-farmer. Under existing legislation the share-farmer receives the same rights as a cash tenant in the way of security of tenure. Some landlords believe that this is unreasonable, particularly in the dairying areas where share-farmers often contribute little to stock and working expenses. There is a very real question as to whether or not the "straw man" type of share-farmer, with little direct interest in the farm, is a desirable feature of the dairy industry. However, if this type of farmer were to be excluded from the protection afforded by the Agricultural Holdings Act it seems certain that its numbers would show a sharp increase. These represent but few of the problems which must now receive attention. The legislation itself is basic to current land settlement policy.