THE SARKEE TIMES

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Notes on the 18 April 2012 Chief Pleas Agenda

I wish to draw to the Chief Pleas' attention the following considerations regarding two propositions which are to be considered next Wednesday. I hope that the Chief Pleas will consider whether it is wise to adopt these propositions.

Item 25: Electricity Regulation, or, A Tale of Two Monopolies

The GP&A Committee are proposing to regulate electricity production. The Committee are proposing to do this to ensure that Sark Electricity isn't making "excess" profits; the Committee complain that Sark Electricity refused to give them access to their accounts and financial information.

I believe that adopting this proposal would be a mistake.

Malcolm Robson brought electricity to Sark in 1948. In the face of considerable opposition, he successfully brought a great public service to Sark with his own money. This is no mean feat. By any objective measure, Sark Electricity provide an outstanding, quality service. Our power supply is reliable and stable. We hardly ever experience power failures. I have lived on much larger islands, which cannot boast of this. We experienced regular power failures, sometimes lasting many hours, 8 hours and more, long enough that the contents of our freezers spoiled and had to be discarded. Sark Electricity customer service is courteous, professional and responsive. If you've ever had to call a customer service line of a UK utility, and had to spend 15 minutes answering security questions, being told there was no record on their system of what you were talking about, that none of their representatives could ever have said to you what the other guy told you just 5 minutes earlier, before your telephone call got disconnected and you had to go through the whole procedure of answering security questions and explaining what your call was all about all over again, you'll know what I mean.

It is true that our electricity is expensive. But so are many other things and this is inevitable. Sark is a remote, small island. All equipment and fuel has to be brought in on IoSS, which is not known for its low prices. It almost certainly costs more for the diesel which powers Sark Electricity generators to travel the last 9 miles between Guernsey and Sark than it costs for it to travel from the bottom of the oil well in Saudi Arabia to Guernsey. We are too small to benefit from economies of scale and fixed overheads are proportionally greater. Please do not make the mistake of underestimating the difficulty (and cost) of providing a quality, reliable electricity supply on a small scale. All the equipment requires redundant backup — proportionately much more redundancy than would be required on a large scale. Power generation using the cheapest known technologies is unavailable to us. The cheapest currently known source of electrical power is nuclear, which today is not one we can generate on Sark, although micro thorium-powered nuclear power plants may one day be a viable and safe alternative. Today, for Island-wide, commercial-scale generation, we are stuck with using a diesel generator. Diesel is an oil derivative, and oil has been sharply rising in price, world-wide. This rise will continue, and at much faster pace than, e.g. the rise in price of natural gas and some other sources of energy, because cheap-to-extract oil is becoming scarcer while cheap supplies of natural gas are still abundant. Energy costs have been rising sharply (and will continue to rise) the world over. This is partly the result of the depletion of easily and cheaply available fossil fuels, but mostly it is the result of currency devaluation caused by excessive borrowing and spending by Western governments and the inflationary money printing used to pay off this debt. While it is unfortunate that our electricity is expensive, this is an inevitable fact of life and one of the prices we pay for living on Sark.

It is also true that Sark Electricity is a monopoly. But so are Avenue Computers (computer supplies), the Sark Post office (postal services), Cable & Wireless (fixed line telephony and Internet), the Gallery Stores (hardware store), Ross Henry (gas), Gavin Nicolle (oil), SG Law (lawyer), Vanessa's (hairdresser), not to mention the Seneschal (notarial

service), the Sark School (school), the Sark Fire & Rescue Service (firefighting), the Sark doctor (medical services), etc. etc. — I'm sure we could name many more. And so will be every provider of a service new to the Island in the future — services which we may deem useful.

Do all these monopolies have an obligation to charge the same prices as corresponding suppliers in Guernsey or the UK? Does Gavin Nicolle's oil or Ross Henry's gas, or Cable & Wireless telephony, cost the same as corresponding services do someplace else? If they cost more, are they "unreasonable" and "unfair"? Do they all have a duty to disclose their accounts to the GP&A? Should we regulate them, take them over or shut them all down?

In a small community like Sark, many providers will inevitably be monopolies. The mere facts that a business is a monopoly and that its prices are high does not mean it is behaving badly and that it warrants regulation. A monopoly generally only comes in the ambit of regulation by anti-trust authorities if it is abusing its dominant market position to protect its monopoly and to stifle competition. Such monopolies generally provide a poor service, don't care about their customers and prevent competitors from entering their markets. Sark Electricity are guilty of none of that. If Sark Electricity prices were so excessive, there is nothing to stop (and certainly Sark Electricity is not doing anything to stop) someone else setting up a competing service, or for many people to buy their own diesel generators or solar panels and do it at home. The fact that hardly any of the people who could afford to own their own diesel generator or solar cells, actually do, is strong evidence that Sark Electricity prices are reasonable.

Indeed, the GP&A and the Chief Pleas appear to accept that some providers will be monopolies and that this is of itself not necessarily a bad thing. Apparently two of our other (both statutory) monopolies — the IoSS and our doctor — are "lifeline" services which deserve our "protection" from the "threat" of competition, because apparently there isn't room enough for more than one operator to survive, and must be subsidized by the taxpayer (i.e. all of us). So how come Sark Electricity is a "monopoly" which must be "regulated"? Are IoSS prices so obviously "fair" and "reasonable"? Is IoSS so obviously not charging excessive prices at the expense of the community?

Readers might want to reflect and make their own decision about who, between Sark Electricity and IoSS, fits the above description of a monopoly abusing its dominant position to protect its monopoly and stifle competition, better.

If the GP&A wish to know if the price charged by Sark Electricity is fair and reasonable, they can easily enough obtain cost quotations of diesel generators and other parts required, of diesel fuel, of the delivery costs to bring those to Sark on IoSS, and have a pretty good idea of what it costs to generate electricity on Sark. If any members of the GP&A feel they can provide electricity more cheaply, I encourage them to do so, just please not with taxpayer money.

If the GP&A want to bring the cost of Sark electricity down, the best thing to do is to reduce the cost of delivering diesel fuel which powers Sark Electricity generators, to Sark. This can be done by de-regulating the market for cargo services to Sark, abolishing the IoSS monopoly and permitting competition in this market, which is the surest and only way of bringing the prices down.

If the GP&A decide to regulate Sark Electricity, what message will that send to anyone considering bringing a new service, unavailable on Sark, to the island, backed by investment of his own money? The message is this: if you do us this courtesy, we will impede you at first, and then once you succeed, we will give you grief, regulate you and try to take you over.

If David Gordon-Brown and his team are to continue providing us with the excellent service they have been providing, we must leave them in peace and let them make a living. If we don't, we risk jeopardizing the quality service they have been providing; the quality of our electricity supply service will go down or electricity may even become unavailable.

The Sark Newsletter often complains that the Chief Pleas makes legislation aimed at picking on individuals. If the Chief Pleas adopts this proposition, it will prove the newsletter right — because this proposition does exactly that. I will not mention names like Barclay and Delaney in this context, but I will mention Andy Leaman and Simon Couldridge, and now David Gordon-Brown and Sark Electricity.

It is unbecoming of Chief Pleas to be doing this. Chief Pleas should be making legislation based on principle and in the general interest of the Island and not picking on individuals. Either all monopolies should be regulated, or none should

be. Either we should all be required to disclose our financials and accounts to the GP&A (there is currently no statutory basis for the GP&A to be demanding Sark Electricity to disclose their financials and accounts to them and the GP&A have no right to make such demands) or no one should be.

Item 17: Land Reform

The 2010 Public Meeting

On 12 October 2010, a well-attended meeting on Land Reform was held at the Island Hall. Hundreds of residents were present. Many spoke. The public mood was unequivocal; with the exception of Robert Taylour and the Seneschal, the response was unanimously hostile. At times, the atmosphere was tense and briefly, between two speakers, reached a point which one might fairly describe as combative. The people's message to our leaders was loud and clear: we hear you, but we don't like what you are trying to sell us. I wrote to all the Conseillers at the time, urging them to respect the will of the people and consign this toxic and divisive subject to the dustbin of history. The letter is available online at http://www.thesarkeetimes.com/wp-content/uploads/2010/11/CPLetter-2010-10-13.pdf.

Numerous people told me that they asked one of the Conseillers promoting Land Reform after the October 2010 meeting privately why he was pressing ahead with Land Reform when none of the locals wanted it. They expressed their frustration at his reaction which purportedly was that he'd go ahead with it anyway. In 6 January 2011 Guernsey Press, Conseiller Maitland was quoted as saying that the Sark land holding system was “not suitable for the modern world any more” and that the GP&A intended to bring a report to Chief Pleas later that month, which would propose the creation of a Land Reform Subcommittee which was to look at “democratising” land holding on Sark.

The 2012 Public Meeting

When the people of the European Union rejected the reviled European Constitution, the European Commission taught all their fellow unaccountable political classes the world over a lesson which they themselves had learnt from their ideological forefathers, the former leaders of the Soviet bloc (and yes, there were referenda regularly held in former Communist states, although they were all either ignored or repeated until the public gave the “correct” answer), on what to do when the people reject what you want to do: wait a year, bring it back on the agenda in a different guise, rush it through the legislative process as quickly as possible, and try not to consult the people. Just tell them it's a small incremental change or a tidying-up exercise.

Next Wednesday, land reform rears its ugly head in Chief Pleas again.

Although we were told at the October 2010 meeting that that was “only the first” of many public meetings on Land Reform that were to follow, there weren't, in fact, any public meetings held on the subject again until January 2012. While I (and I am certainly not alone) perceived the message of the first public meeting held in October 2010 to have been that the proposed change was not only unwelcome but unwelcome even for debate by the vast majority of those who spoke there, nevertheless the course adopted by the GP&A, namely to have promised more public meetings, not to have held any, but to have proceeded with the unwanted proposals in Chief Pleas on a fast track basis anyway — seems to have been the least satisfactory possible course of all to take. On 13th and 16th January 2012, two public meetings were held, according to the numbers reported by the GP&A, much less well attended than the October 2010 meeting. The GP&A tell us that the views of the public at these two public meetings “quite predictably” reflected whether the residents in question were Tenants or leaseholders. It seems odd, and oddly convenient, for the views of the people to have changed so much and just in such a way over the past 15 months.

Why Change and What Changes?

We are given very little explanation for introducing the changes. All we are told is that our land holding system apparently is no longer good enough.

Of the changes that are to be made, we are told only that “an *incremental* approach must be taken”, that the “*initial*” reforms “at an *early* stage” are to be to allow “to buy and sell as a freehold ... where both parties are in agreement”, that “s.1 of the 2007 Property Transfer Law should be implemented which will enable both Tenants and Leaseholders to obtain commercial mortgages.” and that a “land use, development and environmental protection plan” will be created.

In my view, these explanations are insufficient. It is not enough to criticize and find fault with the current system. A full and detailed description of the new system — in its eventual final state, with all the unintended consequences understood — must be given, and then features — both good and bad — of both systems must be given, and compared impartially side-by-side. For this, a period of reflection is necessary during which the floor must be open wide to all the interested parties to provide their input (if indeed, there is public support for change and public consultation about it at all, of which there is doubt, and if there isn't, the whole exercise must surely be abandoned) and scrutinize the proposed changes from all angles. Only if, once the systems are compared side by side, with all the unintended consequences taken into account, the new system appears more desirable, is the change justified.

Every legislative change, particularly a major one — and Land Reform will certainly be a major, seismic change for Sark, the biggest change since the 1565 settlement of Sark, which will dwarf even the changes introduced by The Reform (Sark) Law, 2008 — has unintended consequences. Once a legal system which has been stable for a long period of time is disturbed, a period of legislative instability ensues, during which unintended consequences of the initial change become apparent, these are “corrected” by further amending legislation, new unintended consequences become apparent, and these are “corrected” again by further amending legislation repeatedly until either a new stable regime emerges, or else a long-term period of legislative instability and constant change ensues.

Long-term legislative instability is hugely damaging. Until recently, Sark enjoyed a long period of relative legislative stability, but most of the world is in a period of long-term legislative instability: countless new laws are being made all the time, the law is constantly changing, more quickly than anyone can work out what the law is and more quickly than the courts can develop the new legislation into settled law. There are two routes to lawlessness: the first is to have no laws at all, and the second is a long period of legislative instability: to have too many laws and for the laws to be changing all the time.

The Reform (Sark) Law 2008 is an example of a law which disturbed a period of relative legislative stability and has caused a period of long-term legislative instability which still persists. There seem to have been more changes to our constitution (in the form of The Reform (Sark) (Amendment) laws) in the last 4 years than in the previous 450. It is still unclear what the ultimate end result will be, and very questionable that the end result will be preferable to pre-2008 arrangements. The Seneschal's role will have to be split, and other major changes are likely to follow. I have no doubt that many of those who supported the 2008 reforms will not like the ultimate end result.

It is easy to criticize a legal system, to get bored with it and throw it out like a spoiled high school girl gets bored with a pair of shoes and throws them out, without thinking through the consequences. But it is rather harder to design a new system that works.

The GP&A has not made a case — has not even attempted to make a case — that the new system (once it settles) will be better than the current one. They have not explored the unintended consequences which will follow (or, if they have done so, they have not shared this with the public).

Although no one claims that it is possible to work out all the unintended consequences of a piece of legislation, at least some obvious, major, foreseeable ones can be determined and not to do so is negligent.

The existing land law has much going for it. It has allowed Sark to retain its beautiful rural character and to remain unspoiled and free of unsightly concrete and built-up slums for 450 years. This is not disputed, even by those promoting Land Reform. Even they are merely saying that they have different means of achieving the same end (which in my view is doubtful). It is disingenuous to say that our law is unsuitable for the modern age. Is every change the world over that has occurred in the modern age for the better, and is there nothing good about centuries past that is worth preserving? Our existing law has stood the test of time and has served the Island well for 450 years; and this cannot be said of just any system of land tenure.

The Reform (Sark) 2008 Law involved 7 years of public workshops and consultations and much drafting and re-drafting first of the principles of reform and then of the reform laws. Land Reform is a much greater change, yet the GP&A have reduced it to 3 simple sentences of instructions to the Law Officers and let them draft it as they see fit. No public consultation and even no consultation in Chief Pleas. Is this really appropriate?

The Future and Unintended consequences

As the GP&A have not provided us an analysis of the unintended consequences of their proposed changes, I start to fill this lacuna by describing some of them.

Welfare State

The introduction of mortgages will require the establishment of a welfare state. As the once Sieur William Raymond said, Sark is perhaps the only place in the Western world which does not have mortgages. It is also perhaps the only place in the Western world without a welfare state. This is not a coincidence.

Mortgages allow borrowing at a lower interest rate than unsecured personal loans. But the bank can only offer a borrower a lower interest rate because they know that if the borrower doesn't keep up repayments, the bank can take their home away.

What will happen to Sark youngsters if they get a mortgage and are unable to keep up their repayments? Their houses will be taken away. And worse: if the housing market is depressed, they may find themselves in negative equity, as many borrowers did in the UK in the early 1990s. The bank will then sue them to recover the rest of their debts and they will find themselves bankrupt and destitute.

Since mortgages will allow a greater than ever number of people to buy their houses on credit, a greater than ever number of people will find themselves homeless, bankrupt and destitute. Outsiders will leave the Island, but poor local youngsters who can't work anywhere else will be on the streets with nowhere to go. The existing system of helping the poor will be inadequate to help them.

If mortgages are introduced, it is essential that a safety net for helping the young who find themselves unlucky enough to fall on hard times and are unable to keep up their repayments is also established in the form of a formal system of social security.

Mortgages **will** lead to more bankruptcies which the present system of the Procureur of the Poor will be unable to keep up with. A formal system of welfare will therefore have to be established, and paid for. Taxes will rise, and new taxes are likely to have to be introduced.

You may or may not think this is a good idea, but this fact must be acknowledged. To duck this issue is irresponsible.

Corporate Ownership of Real Estate

The introduction of mortgages will require a change to our land law to permit the corporate ownership of real estate. At present, only natural persons are allowed to own real estate on Sark, but if a bank is to be allowed to register an (enforceable) charge on the property and repossess it if need be, corporate ownership will have to be permitted. This opens a whole new can of worms. Will Sark's company register (for which I understand Guernsey tells us a legally qualified Seneschal will be required) be implemented? Who will administer the register and regulate the companies registered on it? Who is going to conduct the necessary careful anti-money laundering and other regulatory checks of overseas companies proposed to be registered as owners of Sark real estate to ensure corporate owners are not used to hide real ownership and are not used for nefarious purposes? Who is going to pay for this?

Mortgaging the Fief

Will the Seigneur be permitted to mortgage the fief? If the Seigneur were to do so, and default and a bank were to repossesses the Fief, who would exercise the Seigneur's powers (such as the power to appoint the Seneschal and other Island officers, and to permit Guernsey police to attend Sark) and receive his privileges (such as the stipend, the rights to treasure, foreshore, the property of those dying intestate etc.)?

Will Mortgages Work? Striking at the Heart of the Fief

Before enabling our register of mortgages and charges, has the Chief Pleas or the GP&A checked that banks will actually lend against the kinds of interests in land we have on Sark? While there is no way of knowing for sure until you actually submit a mortgage application (a bank might say “no problem” now but still turn you down when you actually apply for a loan), is it not worth at least approaching the banks to see if they would consider our existing interests in land as suitable collateral for a mortgage?

Banks are very bureaucratic institutions. They have rules and they adhere to them rigidly. These days, getting a mortgage is very difficult even if you tick all the boxes. If there are any unusual or risky circumstances, banks will simply not lend. This is not going to change for the better any time soon. Banks are used to the sort of land titles which are standard in the jurisdiction in which they operate. A French bank will not lend against real estate situated in the United Kingdom, unless it does so though a United Kingdom subsidiary which deals with United Kingdom real estate only.

Our land law and our interests in land / property titles are completely unique in the modern world. Sark is owned by the Crown, it is on a feudal lease to the Seigneur, whose lease is subleased on feudal leases to the Tenants, Freeholders and some Leaseholders, and these are further sub-leased to other Leaseholders. These interests in land are unlike the English, or even Guernsey, interests in land and our "Freehold" and "Tenement" titles are nothing like English, or Guersnsey, freeholds. There are all kinds of provisions such as defence obligations on the Tenants, requirements to pay poulage and tithes and the failure to perform any of them makes the lease (at least legally in principle) subject to forfeit. There are provisions such as a person dying intestate with no heirs within 7 degrees resulting in the property reverting to one's immediate landlord. All these unusual legal provisions are likely to make a bank's legal department to just say "no!" and refuse these interests in land as collateral. Will banks be prepared to invest resources into making special mortgage arrangements, possibly drafting an entirely unique set of legal contracts, and setting a unique set of legal terms and interest rates (to reflect the different legal setup and the different risk) just to cater for a total market of at most 300-odd dwellings? Even if they did (which seems unlikely), the interest rate they would offer would reflect the additional fixed costs they would have to incur.

If we want mortgages actually to be made available on Sark, we ultimately will have to adopt English, or Guernsey, or some other existing, land law wholesale. Even that may not be enough, as the rest of the legal framework will still be different, and subject to change by a different legislature, which may still dissuade banks from accepting our interests in land as collateral — unless we surrender our sovereignty and subject ourselves to the law of another jurisdiction and another legislature.

Robert Taylour wrote in November 2010 Sark Scribe: "In Sark, land reform could mean the subdivision of existing freehold lands, coupled with leasehold enfranchisement ... all land would become real freeholds and could be subdivided; ... long leaseholders would have the right to buy from tenement, the freehold of their own home. ... For Sark, **it is logical that we could use existing English law** ... The leaseholder now becomes a new freeholder and has an asset that can be mortgaged"

While I do not think what Robert proposes is in Sark's interest, I do believe it is probably required (i.e. it is an inevitable unintended consequence of Land Reform) if we ever want mortgages to be made available on Sark by the existing commercial banks.

Adopting titles in land similar to English freeholds will require abolishing feudal land tenure. The Seigneur's interest in Sark land was established by the Letters Patent of 1565. The only way to abolish feudal tenure (and hence the Seigneur's interest in everyone else's land) and bring in English-style freeholds is to repeal the Letters Patent of 1565. The Letters Patent cannot be amended to achieve this effect; if we are told hold land titles directly from the Crown (as in English freeholds), the Letters Patent has to be repealed and replaced with a new constitutional settlement. This means the Fief of Sark has to come to an end and be abolished.

These are some pretty major changes. London may not agree to them, or demand their pound of flesh to give their consent.

More Control to the Government

The indivisibility of Tenements has historically regulated the amount of development and population growth on Sark. With the new ability to subdivide and create freeholds, this natural regulation will be gone.

The GP&A proposes that this be resolved by adopting a new land use, development and environmental protection plan (presumably much like the much reviled and previously rejected Jellicoe Plan). This will presumably be policed by the Development Control Committee.

First, I do not believe we need a new development control plan. We already have development control in the form of a Development Control Committee.

Secondly, it is, at best, doubtful, that this mechanism will be effective, or is even intended to be effective, at controlling new development and population growth. Development controls are already in place. They are in addition to, and not in lieu of, the indivisibility constraint. Development controls exist the world over. Do they stop over-development anywhere? Perhaps Sark should look at Andorra which abolished feudalism in 1993. The population, which had been stable at about 6,000 until feudalism was abolished, stands at 85,000 today. The view of beautiful mountains and the wonderful sounds of nature have been replaced with the view of beautiful cranes and the wonderful sounds of pneumatic drills everywhere. And I mean everywhere.

The reason development and population will grow is not because of a lack of development control. It is because property will become more attractive to more buyers (particularly to wealthy outsiders used to being able to own freehold title) once it is freehold than when it is leasehold. If the law is being created to allow the creation of new freeholds, it is being created so that new freeholds can be created. If no new freeholds are intended to be created, there is no need for reform. If new freeholds are created, more people will want to move here.

Secondly, there is a difference between a constitutional ban on subdivision and a committee permission being required before property can be developed. The former constraint is constitutional and does not impose a government discretion (and hence control) over us. The rule is what it is and there is no government committee who we have to appease in order to be able to do what we want to do; either it is permitted, or it is not. The second constraint is subject to the whim of a committee, is prone to corruption and gives more control to a government committee over our lives; our ability to do what we want to do now becomes subject to the permission of a committee, whom we have to appease to get their permission.

Furthermore, a single permissive committee being appointed at one point in the future can result in the Island being totally over-run with new development over the course of the tenure of that committee. Has development control prevented Green Belt development in the United Kingdom?

Who Gains and Who Loses?

No case has been made for why Land Reform is good for Sark. Indeed, no analysis has been made of what changes Land Reform entails for Sark.

Many who support Land Reform do so not because they believe it is good for the Island but because they believe they have something personally to gain from it; and, of course, many who oppose it, do so because they believe they have something personally to lose. But “Land Reform” means different things to different people, and there are different ways to carry out “Land Reform”. Depending on how you carry it out, a different lot of people will gain, and a different lot of people will lose out.

No matter what we do, though, it is clear that some will gain at the expense of others and that the Island will change: it will become more built up, property prices will go up, locals will get squeezed out and more outsiders will come in. The Government (the DCC and the Douzaine in particular) will gain more power over our lives, and we will lose more of our freedoms.

But as long as Land Reform is brought in “incrementally”, the exact nature of reforms that will ultimately be adopted — the final destination — is kept vague and all the consequences are not discussed in full detail, support for Land Reform will remain greatest. All those who believe they have something to gain from some form of Land Reform (be it via mortgages, leaseholder enfranchisement, or in some other way) will continue to be allowed to live in their hope and (usually mistaken) belief that it is their particular favourite reforms which will make it into what will be the ultimate result of reforms.

Is this the reason why reform is being rushed through on the quiet?

Here we look at who will gain and who will lose from the reforms on the table, and those most likely to follow.

Tenants
Proposed reforms being voted on on Wednesday will create new rights for Tenants and Freeholders, without taking any of their existing rights away. They will now be able to carve out new freeholds out of their land and sell them off. Those Tenants who have no scruples about parcelling up their land for development of densely populated slums and are the first off the mark will be able to make a fortune.

Of course, there is little benefit in being able to sell off a new plot of land unless the intended purchaser is able to build a new dwelling on it. So it will be very helpful to be an influential member of the Development Control Committee. If you are, you'll be easily able to procure planning permission for your intended purchaser — and be able to indicate this to them at the time of the sale. Your land will thus be particularly valuable. Not only that, but other Tenants will have to be in your favour and will have to show their gratitude to you because it will be in your power equally to grant planning permission to their intended purchasers.

Of course, there is still little benefit in being able to sell off new plots and get your intended purchasers planning permission to build a new home, unless they are actually able to live in it. So it will be very helpful if you are an influential member of the Douzaine, especially with the Douzaine's newly created power to grant grace and favour to anyone they please to live in a Local Market property. If you are a powerful member of the Douzaine, you'll be easily able to procure such dispensation to your intended purchaser (and you will only do so if they are the sort of folk you approve of) — and will be able to indicate this to them at the time of the sale. Your land will thus be particularly valuable. Not only that, but other Tenants will have to be in your favour and will have to show their gratitude to you because it will be in your power equally to grant (or not) such permits to their intended purchasers as well. You will, of course, be able keep a thumb over all these intended purchasers, who will have to appease you, or face the Douzaine withdrawing their dispensation.

The proposed changes create a lot of potential for temptation and personal financial gain for any Tenants who are powerful members of the DCC and powerful members of the Douzaine. Should they have a penchant for personal financial gain and few scruples about the Island, they could make a fortune at the expense of the beauty of the Island.

Those Tenants less keen to sell off their land (or less able to do so because they are not in favour of the Douzaine and the DCC) will fare less well. Particularly those unwilling to sell freeholds to existing leaseholders will, as property prices inevitably rise as mortgages become available and leaseholders become increasingly concerned about how much they will have to pay to buy "their" freehold (or even just to extend their leasehold!) in the future, will come under pressure to sell. If they refuse, they will likely face the same fate as Sark Electricity faces today: you had better sell now, "voluntarily" and it had better be at a "fair" price and you had better not make "excessive" profit at the "expense" of the "community" *or else !* ... you face "regulation", i.e. leaseholder enfranchisement, which will ultimately consequently be introduced.

Thus, Tenants who will not sell voluntarily and early, will be put under pressure to sell rather less voluntarily. Those who still will not, will lose out as leaseholder enfranchisement is introduced, bringing the cost of converting a leasehold into a freehold down again.

Leaseholders
Well-off leaseholders (particularly those in Open Market properties) able to afford to buy "their" freeholds with a landlord willing to sell it, who do so early, will do so and will end up with a valuable and attractive investment asset.

Open Market freeholds will be bought up by foreign buyers, at present unable to afford them but who in future will be able to do so on credit. Open Market leaseholds which will be "converted" into freeholds will also come become attractive to foreign buyers used to owning freeholds but suspicious of leasehold titles. Local buyers will largely be excluded from this process, since they will have no credit history and many are self-employed. Only overseas buyers with a credit history and steady employment will be able to obtain mortgages. Mortgage-financed purchases will increase demand for, and prices of, Open Market freehold properties. Young local leaseholders will be unable to afford to buy their houses as outsiders are able to get a mortgage (pushing prices up) while they cannot.

Any properties bought with a mortgage foreclosed on by the banks will be sold to the highest bidder which in the majority of cases will be an international buyer.

Some people living in expensive Open Market properties will already be eligible to live in Local Market properties, and others will become eligible in time. They will sell their expensive Open Market freeholds and buy up Local Market housing. With all the cash released from the sale of their expensive Open Market freeholds, they will bid up the prices of Local Market properties, squeezing out the poorer local market inhabitants.

Those leaseholders unable to afford to buy "their" freehold or whose landlord will be unwilling to sell it, will see their leases run out. Pressure will build to introduce leaseholder enfranchisement. But those whose leases will be too short to enfranchise and those least able to afford to buy will lose out as their leases become worthless — if they do not expire, they will be unwanted. Who wants to buy a leasehold which cannot be converted into a freehold if one can buy a freehold? When their leases run out, landlords will not grant them new ones, or will only grant them short new leases for fear of enfranchisement. The weakest and most vulnerable leaseholders, particularly the ordinary local market folk, will lose out.

In Conclusion

And the winners are: any Tenants who are powerful members of the DCC and the Douzaine who are ready to sell some land, and wealthy outsiders.

And the losers are: those Tenants concerned with preserving the beauty and the rural character of Sark, and the ordinary local leaseholders.

Is this what the Chief Pleas is intending?

Retrait Lignager

The final of the GP&A's three proposals is to abolish Retrait Lignager. Without commenting on the merits of Retrait Lignager, this proposed abolition is symbolic. The purpose of retrait lignager has been to protect Sark's indigenous population by keeping the ownership of Sark land in the hands of the aboriginal families, to prevent it from ending up in the hands of wealthy outsiders and making indigenous population homeless on their own land. Its proposed abolition appears to mirror the totality of the proposed reform: to benefit wealthy outsiders at the expense of the less wealthy indigenous population.

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