

THE CORNED BEEF BARONS

By GUY SHRUBSOLE: from Chapter 4 of *Who Owns England?*

Four waves of new money have poured into UK land and property over the past century. The first wave arrived in the Edwardian period, when a clique of nouveau riche British and American industrialists, grown fat on the profits of their businesses, decided to buy themselves into the aristocracy by acquiring land and titles. Then there was a hiatus of half a century, as increasing taxes and death duties diminished the old aristocracy and bit into the ability of the new capitalists to amass land and wealth.

During the 1970s, things rapidly tilted back in their favour. A second wave of new money arrived on England's shores in the wake of the oil price spike of 1973. Suddenly, London was awash with Middle Eastern oil wealth eager to snap up properties.

With the collapse of the Soviet Union came a third wave. An invasion of Russian oligarchs, arriving to spend the wealth they had filleted from former state industries and, in some cases, to escape Vladimir Putin. Meanwhile, Thatcher and her followers unleashed a fourth wave of home-grown buccaneering businessmen, who went on to spend their earnings on lavish mansions and country estates.

But it was the Edwardian plutocrats who got the whole ball rolling. *Fin-de-siècle* England was a playground for the rich, both old and new: a gilded age of imperial complacency and vast inequality. It was a world in which *parvenu* industrialists rubbed shoulders with the landed gentry; where loaded American heiresses married into old English families, swapping cash for coronets; and where society portrait artists like John Singer Sargent flattered the upper classes with their paintings, the oil on their canvases oozing opulence.

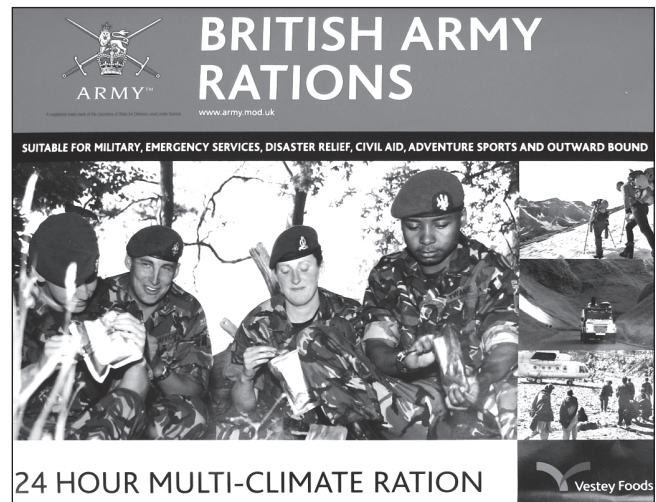
Into this world swaggered William and Edmund Vestey, businessmen extraordinaire, and purveyors of corned beef and cheap eggs to the masses. The Vestey brothers were no two-bit operators. They had built up a global meat-packing empire, buying beef from Argentine cattle ranchers and the Chicago stockyards at rock-bottom prices, shipping it across the world in their Blue Star Line of freight vessels, and delivering it to custom-built cold storage facilities in their native Liverpool.

Their business was one of the first fully integrated multinational corporations. Cheap meat made the Vesteyes rich: very, very rich. "They did not live on the income; they did not live on the interest from their investments; they lived on the interest on the interest", wrote their biographer Phillip Knightley. But money wasn't enough for these frugal, ruthless merchants. They also craved respect.

Respect was hard to come by among the snooty Edwardian élite, especially if you had to work for a living, and – worst of all – were Liverpudlian. To gain acceptance, you needed land and titles. So the Vesteyes set about acquiring them. As an officer of heraldry complains in one of Terry Pratchett's Discworld satires: "Now it seems that as soon as a man opens his second meat-pie shop, he feels impelled to consider himself a gentleman."

Cash for Honours

In 1922, William was made Baron Vestey, ostensibly for the great service he had rendered the country during the war by keeping British soldiers fed on cheap meat. But it transpired the peerage had been bought for £20,000 as part of Lloyd George's "cash for honours" wheeze, in which the wily old rascal had raised funds for re-election by selling titles to "hard-nosed men" who had done well out of the war. The Prime Minister, as the historian A.J.P. Taylor noted, "detested titles. This, no doubt, is why he distributed them so lavishly." It cost Lloyd George his reputation, but Vestey kept his barony.



Vestey Foods are still feeding the British Army today.

Undeterred, the Vesteyes went on to buy up all the trappings of aristocracy. In 1927 Baron Vestey bought the 5,500-acre Stowell Park Estate in Gloucestershire. It remains the family seat today, registered via a trust fund, and received £450,000 in farm subsidies in 2016. Following the fashions of the landed gentry, they also acquired Highland estates and grouse moors: the 6,600-acre Forest Estate in Argyll and the colossal 55,000-acre Assynt Estate in Sutherland, both still owned and managed by members of the Vestey family. Edmund's side of the family, though lacking the noble titles of William's scions, consoled themselves by purchasing the 17,000-acre Thurlow Estate in Suffolk, which they still farm. Their businesses also acquired vast acreages overseas, including huge cattle ranches in Australia. In a landmark victory for Aboriginal land rights, however, Lord Vestey was forced to return some of these lands to the Gurindji people they originally belonged to, following a decade-long struggle led by Vincent Lingiari in the 1970s.

But the Vesteyes' landholdings in England and Scotland remain securely theirs. Today, the family has been fully accepted by the landed classes. The third Baron Vestey is a close friend of the Queen, and in 1999 he became Royal Master of the Horse; an appointment that caused mild embarrassment when the Vestey Food Group was implicated in the Findus horsemeat scandal.

Yet at the same time as inveigling themselves into the establishment, the Vesteyes had been pioneering new ways of avoiding the tax authorities. Unbeknown to polite opinion at

the time, they created a complex web of trusts and overseas companies that allowed them to become, in Nicholas Shaxson's words, "among the biggest individual tax avoiders in history". The brothers domiciled themselves in Argentina for a while and set up a secret trust fund in Paris. It all began perfectly legally, but when the British exchequer finally got word of where they were squirrelling away their millions, they began to investigate. "Trying to come to grips with the Vestey's over tax is like trying to squeeze a rice pudding", complained one tax official. When the Vestey's schemes were finally revealed by a Sunday Times exposé in 1980, it transpired that their business had managed to pay just £10 in tax on an annual profit of around £2.3 million. Edmund Hoyle Vestey hardly helped public relations by shrugging: "Nobody pays more tax than they have to. We're all tax dodgers, aren't we?"

Nick Hayes



Soap, Oil and Guinness

Few contemporaries of the Vestey's were as tenacious at avoiding the taxman, but other self-made men followed their lead in acquiring land and titles, and setting up trusts to manage their landed estates. The plush red benches of the House of Lords began to fill up with plutocratic peers who had made their money in shipping, chemical manufacturing and banking. The era also saw the creation of the first literal press barons, such as Baron Iliffe, part-owner of the Daily Telegraph in the inter-war years, whose 8,000-acre Yattendon estate in West Berkshire I traversed in an earlier chapter.

The soap magnate William Lever, whose businesses went on to become the conglomerate Unilever, was ennobled as Viscount Leverhulme and bought himself the 11,000-acre Thornhill Manor estate on the Wirral, a huge expanse of the Scottish Highlands at Badanloch in Sutherland, and the Hebridean islands of Lewis and Harris. He ended up gifting the islands to the local community following demands for land reform, and the Leverhulme viscounty became extinct in 2000, but a family trust continues to own the remaining estates.

Weetman Dickinson Pearson, an industrialist who made his fortune buying up land in Mexico to drill for oil, found – like the Vestey's – that a close relationship with Lloyd George did wonders for his social standing. In 1917, he was made 1st Viscount Cowdray, and served briefly in the war cabinet. The cottages on the 16,500-acre Cowdray Estate in the South Downs are still painted in a vibrant chrome yellow, a colour "chosen due to the 1st Viscount Cowdray's connections to the Liberal party".

The current fourth Viscount is of a rather different political persuasion: he has donated £65,000 over the past decade to UKIP, the Conservatives and the Vote Leave campaign. The estate today has an intriguing ownership structure, with some parts of the land registered in the name of Rathbones Trust Company Ltd, a firm of professional wealth managers, and other parts registered to Hudsun Trustees, a division of Rathbones based in the British Virgin Islands.

Other new entrants to the English land and property market at that time began arriving from overseas. A branch of the fabulously wealthy Astor family, whose fortune had been built first on the fur trade and then on New York real estate deals, moved across the Atlantic to set up shop in England. In 1893, William Waldorf Astor (the first) purchased from the

Duke of Westminster Cliveden House in Buckinghamshire, a sumptuous mansion where his daughter-in-law Nancy – the first female MP to take a seat in the Commons – would later entertain high society guests; later still, it would become the setting for the Profumo scandal.

William was made a viscount for his donations to wartime charities. Though Cliveden is no longer in the Astors' possession, the Astor viscounty lives on. Its incumbent, the fourth Viscount, is a Conservative hereditary peer, whose wife is the mother of Samantha Cameron, married to former Tory PM David Cameron. Numerous other Astors became Conservative MPs during the twentieth century, and

various scions of the family still own thousands of acres in West Berkshire and Scotland.¹

Some of the newly moneyed Edwardian landowners mingled philanthropy with self-preservation. Edward Guinness, heir to the brewing fortune and ennobled as the Earl of Iveagh in 1919, found that one way to curry favour with his more blue-blooded but increasingly cash-strapped peers was to buy Old Masters from them. Upon his death in 1927, Iveagh's extensive collection of Gainsboroughs and Rembrandts were left to the nation along with Kenwood House in Hampstead, with a stipulation that they be displayed to the public in perpetuity. The first Earl also gave generously to the social housing projects established by his father under the aegis of the Guinness Trust. Today, the organisation manages 65,000 homes across England.

Still, some of the Trust's practices have attracted criticism in recent years. A 13-acre stretch of land it owned in Wandsworth, left derelict for six years despite housing shortages, was squatted in 1996 by activists from The Land Is Ours, who set up the "Pure Genius" eco-village in protest at the waste of land. More recently, squatters occupied the Guinness Estate in Brixton in protest at the eviction of tenants, and its impending demolition to make way for more expensive housing. What's more, the Earl of Iveagh's 22,500-acre Elveden Estate in Suffolk is today registered offshore in Jersey, presumably for tax purposes. Yet the farming that goes on at the estate is generously subsidised by the taxpayer, to the tune of around £1.2 million annually.

1. The family seat of the Astor viscounts remains Ginge Manor in Oxfordshire. Three scions of the Astors own land in West Berkshire: Robert Astor owns the 861-acre Marlston Estate, James Alexander Waldorf Astor owns the 572-acre Sulhamstead Estate, and Charles John Astor & family own the 1,875-acre Kirby House Estate.

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