

Under Tory—Socialist Auspices

The Conservative Government's Agriculture Bill will buttress and expand the provisions in Labour's Agriculture Act, 1947, of which it is the logical development, the Minister told Parliament last month. Here we reprint some extracts from our leading article written when the earlier measure was introduced

THE Agriculture Bill is the instrument by which the Government proposes to regiment the production of food in this country. It embodies Socialist and Tory policy. The two are married in this measure. Extraordinary powers are to be conferred on officialdom to enforce obedience to prescribed methods of farming. On the other hand these compulsions are sugar-coated with an extra layer of endowment and protection enforced upon the public for the benefit of the industry. The comforting thought for the landlord element, which every economist worthy of the name will confirm, is that the eventual beneficiaries of the price-raising schemes, and of the call upon consumers and taxpayers to "help agriculture", will be those who are entitled to appropriate the rent of land. In good time, they hope, the hated and mischievous controls can be swept away, if nothing material can be done to mitigate them during the passage of the Bill. Meanwhile, whatever may be the fate of the actual cultivator under the harrow of the new bureaucracy, it is sufficient satisfaction to the landed interests that *their* prerogatives are ensured, and under patronage of a Labour Government. Significantly the Bill received its second reading without a division. It now remains to be seen whether the farmer, grasping at the subsidies which will slip through his hands, has not sold his liberty for a mess of pottage.

The Ministry of Agriculture clothed with its despotic powers in the administration of a huge bureaucratic machine is unable to reckon what its spoon-fed agriculture will cost the rest of the community. Parliament itself is left in the dark as to these commitments, the effect of which let it be frankly said make privilege a parasitism a still greater burden upon the producers of wealth in all occupations. . . .

For the tenant farmer provision is made for his increased security so far as his relationship with his landlord is concerned. The law regarding tenant rights and compensation for improvements will be amended in his favour. The tenant farmer is said to be pleased, but it should not be overlooked that he now has his eyes on more than the tenant rights to which he is normally entitled. His greater security will give him a guaranteed share in the spoils afforded by Government assistance, which would otherwise go to the landowner in increased rent. So long as he is secured against landlord action revising the rent or depriving him of the farm he has his hand in the pool which is fed by prices rigged against the consumer.

The Bill is acclaimed in Labour Party prints as a New Charter, but for the agricultural labourer there is nothing really in it except the raising of prices so as to enable farmers to pay the guaranteed minimum wage. He is made

aware of his interest in the subsidies and other "stabilising" assistance to the industry. The argument savours of all the protectionist propaganda which promises the worker the benefits of tariffs and which has so largely captured the Trade Unionists in most of the bolstered industries. . . .

The provisions in the Bill for the creation of small holdings can be dismissed as mere window-dressing. The holdings will be procured under land purchase schemes and at a cost so high as to involve a heavy annual subsidy. They will be reserved only for men who (in the Minister's opinion) are skilled, experienced and capable. . . . The great mass of agricultural labourers . . . are denied the opportunity to become farmers on their own account. The State-fixed minimum rate of wages is their only privilege, and a worthless guarantee if they can find no one able or willing to hire them.

The Bill turns the whole farming industry into a vast closed corporation ruled by committees to decide, by their tests of so-called efficiency, who shall gain their livelihood within its precincts. Whoso wishes to take up farming can be required to satisfy official bodies that he is qualified by experience and capital resources. Pioneering enterprise, initiative and independence, equally with alleged negligence, can come in conflict with the official "rules of good husbandry" and suffer the penalty. If the farmer does not conform he can be "supervised", and if he still proves recalcitrant he can be dispossessed and turned out of house and home. Driven off, branded as an incompetent or rebel by his County Agricultural Committee, he can give up all hope of ever farming again. The vacancy can be retained for a more pliant occupant or one who has not the same scruples. Nothing could be better calculated to run down the whole standard of agriculture or lead to all manner of corruption and abuse.

The passage of this Bill as a deliberate long-term policy, based on bribery and compulsion of producers and exploitation of consumers, will be the reinstatement of the Corn Laws. A hundred years after their repeal we will be back to the famine-stricken conditions caused by the taxation of food, the closing of a free market and the consecration of privilege. The Labour Government accepts and pursues the policies which in the last number of years have steadily trended in that direction. Trade barriers have risen higher and higher and increasingly the grants-in-aid of special interests mount up. Richard Cobden warned against the collateral course that landlord influence would take in its "revenge" for the Corn Law Repeal and prophetically it has been followed. Burdens have been progressively taken off land and progressively taxation has

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been shifted on labour and its fruits. The process is written chapter by chapter in the series of Agricultural Rates Acts culminating in the Derating Act of 1929—Mr. Churchill's vile gift to the people—and now all agricultural land is completely free of local taxation however valuable it may be. The inevitable economic effect has been to entrench the land monopoly in greater power and make habitation and work on the land the continuing victim of its claims to tribute. The relevance of those circumstances to the welfare of agriculture and the far wider "condition of the people" question cannot be ignored, and only right action taken with regard to them can hope to save the situation.

Free Trade and the Taxation of Land Values, are they not clearly indicated as the policies that must be adopted in the interests of agriculture as of all industry, and the

general welfare? Irrespective of the fiscal policy of any other country, let British ports be opened NOW to the trade of the whole world. Let every artificial barrier to the entry of raw materials and farm and other products be abolished. The essential accompaniment of that freedom, indeed it is precedent, is the freedom to produce which the Taxation of Land Values would attain, at the same time deriving the public revenue from that fund, the rent of land, which belongs rightfully to the people as a whole; and correspondingly, taxation bearing on labour and its products would be remitted. It is by these means and these means only that agriculture like all industries would achieve efficiency and progress—efficiency through competition on the free world market and progress by securing that encouragement is everywhere given to the wisest and best use of land.

Free Trade and Farming

By RICHARD LAMB, M.A.

Monopolies and price rings exploit British farmers who lose more than they gain under tariff protection. Here a farmer shows how subsidies could be abolished*

I HAVE often noticed that there is a widespread belief that farmers are in a specially favoured position with regard to income tax. This is not so. A false impression has been given because since the war so many successful business men have bought up farms. They run them more or less as hobbies to soak up some of their surtax.

It is quite true that a man in a high surtax bracket can provide himself with the amenities of a home farm, and put the whole cost against his taxed income. Some people like to own such things as Land Rovers, ponies and Jersey cows, and prefer to see them at the end of the year instead of a surtax receipt. But the ordinary commercial farmer is as hard-hit by the penal taxation of our times as any other one-man business which makes it almost impossible for him to accumulate reserves and to build up capital for his retirement.

Nowadays no farmer will retire if he can possibly avoid it. Nearly every farmer has a small hidden reserve in the undervaluation of his livestock but if he retires income tax and surtax will rob him in his last trading year of this asset, built up perhaps over the whole of his working life. When a farmer does retire he realises his working capital, and turns his livestock, crop and machinery into cash. Generally when he invests this cash, he finds that after deducting tax his income is insufficient for his needs. At least while he farms he has a comfortable house, and a motor car free of tax. So why retire and give up these two pleasant privileges?

After a long period of penal taxation the average age of farmers is getting higher each year. This is an alarming state of affairs because as a direct consequence many of

the most able young men trained for farming are having to seek their opportunities abroad. They are going to Kenya, Australia, Canada and other places where initiative and a small amount of capital can reap some reward. In this they are abundantly justified because there is really no opportunity for them in this country where it is almost impossible for them to rent farms.

How can we expect to have a vigorous rural population in the future when our farms are held by tax-evading business men, and ageing farmers; and all the best of those who should be the British farmers of the future are seeking their opportunities and farms in distant lands? What a return for the millions in subsidies paid to farmers annually by the taxpayer!

Another crippling blow to British farmers is the import duty on machinery, fertilisers and other farming requisites. In fact there are import duties on nearly everything a farmer has to buy. Many of them are at very high rates, and amount to a virtual prohibition of imports.

Unfortunately, it is so long since any free imports of agricultural requisites were available that farmers now find that in nearly every case manufacturers have built up a cast-iron price ring against them, and usually the farmer has to pay their arbitrarily fixed price or go without. Beyond question *these import duties on nearly all farming requisites are the principal reason why British farming is such high cost farming in comparison with that of some Continental countries*, and why such excessive subsidies are necessary to stimulate our agricultural production.

Since the war the National Farmers' Union have been bribed by the Government's high guaranteed prices for all agricultural products, and in return have ignored or condoned the unjustifiable and soaring increases in their

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