

## MAKING FARMING PAY

### Capt. A. R. McDougal's Address to Scottish Liberals

At the Liberal Summer School, held on 19th and 20th June, in Dumfries, Capt. A. R. McDougal was the chief speaker on agriculture.

In his address he said:

The truth was that no one could do anything to help the farmer under the present land system. The idea seemed to be that the only way to improve the position was to push public money into the industry. If Mr Baldwin was back in power to-morrow with a whole hog "Beaverroth" policy, one of two things would happen—Protection would either be successful as regards agriculture, or it would not. He did not think it would be successful. The price of everything the farmer used, as well as the price of the goods he had to sell, would go up, and at Westminster wire-pulling and log-rolling would be rampant—when politics ceased to become a matter of principle they became a matter of money—and what chance would the farmer have in competition with those industries which controlled millions of capital?

If one assumed that Protection as applied to agriculture was a success under the present system of land tenure, rents would follow the boom, and inside five years most, if not all the benefits of Protection would be absorbed in increased rents. And one could not blame the landlords—under the circumstances the increased rents would be offered. Then, again, a great many estates would be sold.

Under the present land system there was no justice, and the landlord could always compel the tenant to buy at the landlord's chosen moment. What was wanted was cheap food, cheap land, and low taxes.

#### MR BALDWIN'S FOOLISH PROPOSAL

Mr Baldwin said that the trouble was the importation of cheap wheat. The speaker had yet to learn of any man grumbling because his bills were too small. It was doubtful if the German imports were really responsible for the low prices. The market for oats had gone, as petrol had displaced oats as the road tractive power. Then last year 10,000 acres more oats were grown in Scotland, and they were a bumper crop all over.

Secondly, one must remember that cheap grain suited the majority of farmers better than dear grain, because most of them bought more stock feeding stuffs than they sold of oats. The low price of oats had driven prices of cakes and other stock feeds down by £2 to £3 per ton and more. The dairy farmer, pig feeder, poultry farmer, sheep farmer, and mixed arable farmer were all gainers, as most of them consumed more than they grew and bought more.

Only 10 per cent of the farming income came from grain sold, and it seemed a rash thing to rush in and protect or subsidize only 10 per cent of the farming income at the public expense, and probably to the detriment of the 66 per cent which thrived best on cheap feeding stuffs. As a matter of fact, in Scotland the key crops were turnips and potatoes. He thought Mr Baldwin was promising something which he hoped would never happen.

The Corn Production Acts subsidies of 1921 cost the taxpayers £20,000,000, and it demoralized the farmers. Two hundred thousand people could be employed for a year with the money. He for one was certain that a wheat subsidy would not give 200,000 people employment in agriculture or anywhere else. He hoped the British public would button up their pockets, and not give the

British landlords or farmers one brass farthing. Then they would come down to bedrock.

Sir Douglas Newton had said that the Conservative Government gave £10,000,000 a year to agriculture during their term of office. He thought that, including de-rating, they had given rather more. But what good had it done? The farmers were grumbling just as badly as ever. We were told that agriculture had been sacrificed and badly treated, and ground to death with taxation.

#### FARMERS AND TAXATION

The truth was that the agricultural owner and farmer paid less taxes than anybody in the community—they were the spoiled children of the community. On a farm rented at £500 a year—that represented £7,000 or £8,000 capital—a farmer with a wife and three children paid £12 10s. as rates at 5s. per pound on one-eighth rental, and £1 4s. as income tax, less statutory deductions. That made the total rates and taxes paid by the tenant £15 14s.

The owner of a farm rented at £1,000 per annum probably paid less in rates than half-a-dozen Glasgow working men. As to the misleading statements also made about the harshness of the death duties, the fact was that agricultural landowners actually paid from 1 per cent to 10 per cent less in death duties than other people. When Mr Churchill in 1925 raised the death duties, he exempted the agricultural owners from the ranks. He (Capt. McDougal) had expected better things from Mr Snowden, but he raised the death duties last April and carried on the exemption to the landowner. A lot of landlords complained that they could not sell land, but what they meant was that they could not sell it at their reserve price.

#### STATE BENEFITS FOR AGRICULTURE

Capt. McDougal said that if the farmer condescended to drain his land or make roads upon it, or put in a water supply, a grateful country paid him 33 to 50 per cent. For clearing old woodlands he got £2 per acre, and for planting trees £4 per acre. For reconditioning old cottages he got up to two-thirds of the cost. And over and above that were cheap State loans.

In spite of it all there was a cry for more subsidies. The real remedy for agriculture was so obvious, but at the same time so contentious, that one was reviled for mentioning it. It was simply that rents must come down instead of taxes going up. Arable farmers were paying from £1 to £5 per acre in rent. Surely they should get their rents down to an economic level before howling for doles. As a matter of fact, the present outcry was largely engineered by Protectionists, aided by the landowners, and farmers and others who supported it were merely being used as cat's paws to pick the Protectionist chestnut from the fire for the benefit of the astute landowner and Protectionist alone.

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