

THE EFFECT OF PROTECTION ON AGRICULTURE.

INCREASED LAND VALUES.

In an instructive letter to THE WESTMINSTER GAZETTE (July 8th, 1912), Sir Alfred Mond gives the following two quotations, which will interest our readers:—

Herr von Arnim, Prussian Minister of Agriculture, speaking in the Prussian Diet said:—

"Our tariff policy doubtless confers not inconsiderable benefits on landlords of the present day. It is certain however, that these benefits must within a given period, generally within one generation, be discounted by increased debts, so that the agricultural interest will then be no better off than at present. In this case our tariff policy will have been worse than useless—it will have been harmful. *If there were to be either a diminution or a repeal of the corn duties—and who dares to deny this possibility?—then, gentlemen, terrible catastrophes would follow. Our tariff policy can only be justified if we take measures to combat its unintentional but nevertheless injurious consequences.*"

Our Consul General in Germany, Sir Francis Oppenheimer, confirms this warning in his report of last September (Cd. 5,465—166. P. 44), as follows:—

"The higher agricultural duties which have been in operation in Germany since 1906 have influenced the prices of land in a very marked and a very noteworthy manner. Experts are agreed that a speculative movement in the prices of estates as it exists in Germany since 1906 is quite without precedent. . . . An influential paper characterised the situation as a 'buying and selling frenzy in the landed property of the East.' In East Prussia every landed estate has practically come into the market, and not a few owners have bought, sold, and re-bought four to five estates within the last two or three years. . . . Yet there is no slump to justify this supply; it is a consequence of our abnormal rise in the prices of landed estates. . . . A superficial observer might be tempted to explain this rise in the value of landed property as the result of a brilliant development in the methods of agriculture, but economists are filled with grave apprehensions for the future because the increase is greatly due to a widespread tendency to at once capitalise probable or prospective profits in their application to agriculture. The duties of 55 and 50 marks respectively ensure German agriculturists an increased income for the duration of the present commercial treaties. The increased income is immediately commuted into capital values, and the prices of estates are raised accordingly. What is the result of sale on this basis? The new owner forgoes all advantages arising from the increased duties, the capital value of which has gone to the late owner. The purchaser, therefore, works under similar unfavourable conditions as if the tariff had not been raised; the tariff means for him only an increase in the risk he is incurring. His loss in the case of a bad harvest is greater because he pays interest on a larger capital. If in view of the burden which the agricultural duties impose on the food supply of the German people, a changed majority in the Imperial Parliament decided on a decrease or even abolition of the corn duties, a gigantic *débacle* in agricultural circles would be inevitable. The speculative movements above described deserve the most earnest attention, for they plainly demonstrate what an imaginary remedy corn duties are for the permanent restoration of agriculture. The difficulties of the farmers which it was intended to remove become stereotyped by this system of speculative sales which discount the future price of corn."

We commend this impartial statement to those who, in the assumed interests of the agricultural producers, favour Tariff Reform and a wholesale scheme of State-aided Land Purchase. "Corn Duties" are, indeed, "an imaginary remedy for the permanent restoration of agriculture"; but they well serve the purpose of those anxious to sell their landed estates at the highest price obtainable, and of the crowd of land-jobbers and land-speculators who follow in their train. Still, "the evil that men do lives after them!"

POLITICAL AND ECONOMIC DISCUSSION.

THE LEADER OF THE LABOUR PARTY ON THE SINGLE TAX.

Speaking in support of Mr. Finney, the Labour candidate at the Hanley by-election at Hanley, on July 10th, Mr. Ramsay Macdonald said, according to the STAFFORDSHIRE SENTINEL of July 11th:—

The land policy of Mr. Outhwaite was not real land reform. With the single exception of Mr. Wedgwood, and the somewhat very doubtful exception of Mr. Hemmerde, there was no sane man in the House of Commons in favour of the single tax.

"AN ABSURD PROPOSITION."

It was one of the most absurd propositions in politics. Mr. Macdonald went on to contend that the money required for the good government of the country could not be found by such a policy as the one advocated by the single taxers, and he also condemned Mr. Outhwaite's policy as being economically unsound, and as one unable to deal with the social problems of the day. The proposition these Single Taxers made was that if a man invested £1,000 upon land he had to pay a tax because he was a monopolist, but if he invested £1,000 in railway stock he paid nothing. A man might make millions out of miners' wages, men might form a coal ring, they might force up prices against the public, might compel them to pay as much as 6s. more per ton than they ought to pay economically, but not a penny tax was going to be paid upon that. And they had millionaires, like some of their well-known soap boilers, giving thousands of pounds every year to this committee running Mr. Outhwaite, because they wanted the chance of having men in the House of Commons who would prevent the landlords, not exploiting the people, but exploiting these capitalists, capitalists who wanted to form trusts in soap, and trusts in 'alkalies, &c. These people were in favour of the single tax because they wanted to reduce the cost of government against the people, and wanted to prevent the landlord coming in and taking a share of the plunder they had originally made out of their workmen.

LABOUR PARTY'S POLICY.

The Labour Party were going to tax unearned increment on land just as Mr. Outhwaite, but were also going to tax unearned incomes whether coming from the land, ownership of mines, ownership of railways, slum property, or any other form of property, and not merely a section of unearned incomes. At a meeting in London of which he heard a few days ago, a single taxer was referring to lead poisoning in the potting trade. That gentleman told the meeting not to bother about lead poisoning regulations. They did not want lead poisoning laws, but the single tax. Then, this gentleman went on to say, when they had a single tax the land round the Potteries would be released. Every man and woman would then be endowed with the right to the use of land, and when they tired of work in the Potteries and began to feel they were suffering from lead poisoning, then they could lay down their tools, and go at once on the land, build a house, buy some cows, and live happy ever after. The speaker further criticised Mr. Outhwaite's land policy, and claimed that the policy of the Labour Party was the only one which could bring real and lasting good to the working people.

VACANT LAND CULTIVATION SOCIETY.

By the courtesy of Baron de Forest, M.P., the annual meeting of the Vacant Land Cultivation Society was held at Spencer House, St. James's Place, on July 12th.

Mr. Frank Smith presided, and said the result of the Society's work since it had been established in London four years ago commended itself to all. Out of 60 acres under cultivation 2,500 persons had been assisted to grow food for their necessities. There was 14,000 vacant acres in London, and if they were put to useful purposes they would be able to provide for half a million of people. For every pound expended they got £5 worth of value returned, plus strengthening the manhood and encouraging those who were despairing and downhearted. They had paid in