

## FEATHER-BEDDED AGRICULTURE

The resignation of Mr. Stanley Evans, Parliamentary Secretary to the Ministry of Food, has aroused widespread comment. It is one of those occasions when the public begins to suspect that more is happening behind the political scene than outward assurances reveal. "There are Members on both sides who secretly agree with Evans," says the Socialist *New Statesman and Nation*. "His words may receive powerful, if not outspoken, support."

### HOW THE COW IS MILKED

Scarcely a fortnight after his appointment Mr. Evans, at a press conference on March 18, said care must be taken to avoid a situation in which "consumers become the milch cow" of rural interests. As these interests were engaged at the time negotiating farmers' prices with the Ministry of Agriculture, the statement aroused their particular resentment, and Mr. Maurice Webb, Minister of Food, felt obliged to assure the National Farmers' Union that his department was always ready "to assist the legitimate aspirations of those who produce a substantial part of the nation's food." More solid evidence was forthcoming in the price and subsidy agreement concluded with the Ministry of Agriculture. Although some part of the anticipated higher production costs—due to the £43½ million reduction in feeding stuff and fertiliser subsidies—will be borne by farmers, this "sacrifice" of not receiving taxpayers' money will not save the consumer from increased prices for meat and (probably) milk. The lower farm prices will affect especially the smaller farmers and those using poorer land. This overlooking of smaller units is not unusual when negotiations are entrusted to powerful organisations. The small man's hardships, however, are to be mitigated in special cases by a further subsidy, this to be allocated by the County Agricultural Committees.

Mr. Evans, however, does not seem to have changed his opinion in the interval. On April 14, at Manchester, he declared no other country "feather-bedded" its agriculture like Great Britain. He suggested high subsidies fostered inefficiency and doubted whether the cost of providing farmers with guaranteed prices and assured markets had not reached a level which neither the consumer nor the taxpayer could afford. Hitler's blockade, he said, created a siege economy in Britain, but the people could no longer afford to perpetuate agricultural methods inherited from siege conditions. Farmers' earnings had risen from £55 millions in 1938 to £284½ millions last year, when £280 millions were paid in subsidies.

### FARMER CRIPPS'S VIEWS

These declarations, so embarrassing to the Government as well as obnoxious to agricultural interests, resulted in Mr. Evans's resignation, announced in a curt statement from Downing Street, April 16. He has been rebuked on all sides; even those newspapers which do not strongly controvert his interpretation of facts censure him for want of tact. From the point of view of public as opposed to party or sectional interest his action is worthy of more sympathetic consideration than it has received. He had not previously expressed disagreement with his party's agricultural policy, however, and his present attitude is inconsistent. Typical of the official Labour view is a speech delivered by Sir Stafford Cripps at Inverness on February 16, shortly before the election.

Sir Stafford recalled that he himself had started farming when the 1920 Agriculture Act purported to guarantee prices for four years ahead. In these circumstances he had to pay high prices for tenant right and stock, only to be "knocked sideways" when the Act was repealed in June, 1921. He contrasted that situation with the Labour Government's policy of *permanent* legislation to guarantee farmers' prosperity. The policy, he claimed, had "assured the farmers incomes at four and five times the pre-war level" and the "food subsidies had enabled the farmers to accumulate the extra capital required." Moreover, "the standards of farming and of production," he said, "have markedly gone up."

Sir Stafford's speech, which was obviously an appeal for farmer's votes, is a sufficient answer to the N.F.U. contention that the subsidies for guaranteeing their markets are entirely a gift to the consumer, not a valuable gift to the farmers. His reference to the high cost of tenant right exposes the most important factor in the whole situation, although spokesmen for the Opposition as well as the Government ignore it.

### LAND-OWNING IS NOT FARMING

Mr. Evans's aspersions on farmers efficiency are beside the point. No expedient has yet been devised to secure maximum efficiency in any industry protected from competition in a free market. When profits depend rather on political influence than industrial efficiency, it is natural that farmers are unable to devote all their energy and ingenuity to the former, especially as so much of their time must be given to obeying official directive and operating official machinery. His reference to the affluence of farmers to-day is confirmed by evidence available to every resident in a country district, but these residents cannot know how much of this affluence is due to farming alone or to farming combined with the ownership of land enjoying advantages derived from natural fertility or proximity to markets, communications and public services. Even when the farmer does not own the land but enjoys a privileged tenancy at a controlled rent a proportion of his gains is due to privilege, not to legitimate industry, and the value of this privilege appears when any newcomer ventures to enter the industry. Apart from Sir Stafford Cripps's own testimony quoted above, the phenomenal rise in the prices of farm land shows beyond refutation that the subsidies and protection granted at public expense to agriculture are realised eventually by owners of natural and communal advantages, not as producers of farm products. After an initial gain producers, as producers, find rising costs tend to offset anything which may be gained by higher prices for their products. The general public, as consumers and taxpayers, lose more and more, genuine producers remain unsatisfied; owners of land value and the armies of official regulators are the only gainers.

The worst element in the whole controversy is the acceptance by almost all participants that the farming industry has an indisputable right to protection at public expense, and the ownership by private individuals of natural and communal advantages must never be questioned. When the reduction of a subsidy can be referred to as a "sacrifice" on the part of farming interests, for which the public should be grateful to them (*vide the News Chronicle*, March 24), confusion of thought and ignoring of right and wrong could hardly go

further. Considerations of vote catching are accepted almost as morally binding on public men, and the false economic teaching that material advantage is inconsistent with equal freedom makes immediate expediency and not justice the standard by which every measure affecting industry must be judged.

#### EXPLOITERS EXPLOITED

Like all other producers, farmers must use land, capital and public services, they must buy raw material and many of them must hire labour as well as work directly themselves. At present official regulations immensely hamper their ingenuity and frustrate their labour, penal taxation strikes at the sources of their capital, and taxes and restrictions raise immensely the cost of the raw materials they must buy. The subsidies which might otherwise counterbalance some of their burdens are neutralised by land monopoly. In addition, their customers, penalised by taxation and trade restrictions, lack the purchasing power which under free conditions would provide a constantly expanding market for those fresh or higher quality farm products the British farmer is in an especially favourable situation to supply. It is preposterous to suppose he lacks the technical skill to compete on equal conditions with foreign farmers in the particular lines for which British farming is suited.

#### JUSTICE LEADS TO FARMING PROSPERITY

To collect land values for public revenue, together with remission of other taxes, abolition of all trade restrictions, external and internal, and the immense economy to be affected by reducing the activities of government to its proper sphere would place the British farmer in a better situation than he has ever been; and it would provide him with better markets. If every holder of a farm site were obliged to pay the value—or rent of site only, irrespective of development—to the community, every such holder, if he was not farming it himself, would be obliged to obtain a tenant to do so. Thus rent would fall to its natural level, the farmer on poor land would be placed on equal terms with the farmer on richer or more accessible land, each would have security of tenure for his untaxed improvements and his income would be immune from the depredations of the tax collector.

These are the conditions that must apply not only in agriculture but also in all industries if the interests of the commonweal are to be respected and secured.

F. D. P.

### TAXATION VIA STATE MONOPOLY

The increases of railway freights, announced for May 15, and estimated to involve the public in increased expenditure of £27 million were truly described by Mr. Churchill as an increase of taxes. This increase is an amount, fixed by authority, which every user of railway transport for freight must pay, and the money is used as the Government decides. This is a tax. Mr. Churchill failed to observe that every private industry which enjoys a monopoly or privilege is in a position to tax the public in the same way, and has not even the excuse of supplying public revenue. These new taxes on freights, petrol and commercial vehicles have a cumulative effect the ultimate consequence of which it is beyond the wit of man to foresee. The increased freights are estimated to add on the average 1s. 8d. per ton to the price of coal, but in some places the increase will be 4s. or more. Who can possibly anticipate the exact incidence of this upon specific prices? As the railways must also

pay the petrol and vehicle taxes, transport their own coal and, in all the other commodities they buy, pay for the increased taxation falling upon the suppliers the £27 million may be largely offset. The public will certainly lose; the amount by which the national monopoly may gain is problematical.

The Opposition newspapers point out some of these anomalies but the Opposition speeches and articles afford no clue to satisfy an enquirer who asks: If this kind of taxation is wrong, what kind of taxation do you propose as an alternative; what method of taxation which will not, like Income Tax, stifle incentive, or like commodity taxes, raise the cost of living? That no social problem can be solved until the general public consider the principles of taxation is so obvious that their failure to realise it constitutes almost a miracle.

### CAN THE UNITED NATIONS SURVIVE?

Reviewing the situation of the United Nations Organisation after five years, Alistair Cooke in the *Manchester Guardian*, April 27, reports that while the enormous building of the "permanent" headquarters rises higher every day "the spirit dwindles" and Mr. Trygve Lie's journey to Europe has been undertaken frankly in the hope of saving the United Nations. This is a sad result for members of such bodies as the United Nations Association. With due respect to their altruism it might have been more effective if they had remembered that peace and justice, like charity, begin at home. If nations are simmering with class war within, with all trades organised in pressure groups competing for privileges necessarily at public expense, it is hopeless to expect that negotiations between agents of governments can bring peace among the peoples. The innumerable occasions on which such negotiators have expressed the intention of lowering trade barriers and their complete failure to do so is only an illustration of their impotence while present economic fallacies prevail. The constant looking outward for justice, freedom and prosperity to come from international conferences creates the illusion that all that can be done within one's own country has already been accomplished. It thus consolidates the injustices, privileges and mistaken ideas which prevent such conferences from reaching any useful conclusion.

*Henry George, Citizen of the World*, by the late Anna George de Mille, edited by Don C. Shoemaker, with an Introduction by Agnes de Mille: is published (\$3.50) by the University of North Carolina Press. We offer this book a most warm welcome, and in our next issue there will appear a long and appreciative review by Frank Dupuis.

Unfortunately, in the proof-reading, the line hereunder italicised was omitted from the paragraph in the report appearing last month on the declaration of the Liberal Liberty League: . . . . . By shifting the burden of taxation to the site value of land, landholders would be compelled to put their land to its best use, expansion of production would be relieved from the high speculative costs of land purchase, the greatest possible facility would be provided for new enterprises, and the restrictive and inflationary effects of *taxation on industry would be avoided. The potency of this proposition is fully appreciated by the Socialist Party who realise the threat it contains to their thirst for absolute economic power, and by the Tories who have frustrated in the past every attempt by the Liberals to obtain the required legislation.*

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