

EXPOSURE OF THE POTATO MARKETING SCHEME

The production of potatoes in Britain was restricted (or "regulated") from 1934 to 1939 by a Potato Marketing Board. Beneficiaries were landowners, merchants and those farmers who were permitted, on payment of a lump sum "fine" of £5 per acre to grow potatoes on their land. As a result, land values and potato prices went up; quality deteriorated. At the outbreak of war, the scheme was abandoned. Potato cultivation and consumption was sedulously encouraged. Now a substitutional scheme has been prepared, with the support of the Conservative and Labour parties, and the National Farmers' Union. At the public enquiry held in London last November, opposition came principally from one of our readers, Mr. James Walters, an ardent free trade Liberal, in his capacity as a vice-president of the Cheap Food League.

When the Draft Potato Marketing Scheme, 1955, was considered in the House of Lords, May 4, LORD DOUGLAS OF BARLOCH said:

"My Lords, the noble Earl who moved this Motion told us that only a small number of growers of potatoes are opposed to this Scheme. That is hardly surprising. It is not quite correct to describe it as a Potato Marketing Scheme: it is a Scheme for restricting the growing of potatoes and thereby raising their price. I do not see any earthly reason why the growers of potatoes should not support it. From their point of view this is an excellent Scheme, but, in spite of what the noble Earl has said, I am not satisfied that there is any safeguard whatsoever for the consumer in the Scheme. It is true that the Minister is given power to appoint four members of the Board who are elected by the growers themselves. I do not know what a minority of four out of twenty-eight members is going to be able to do upon any body which controls the affairs of any organisation. They are in a permanent minority, and they are given no powers of any kind whatsoever, except to record four dissentient votes, if they so please.

"This Scheme is based upon confining the growing of potatoes in the three years ended on December 31, 1953. Nobody else is allowed to grow any potatoes unless he pays a fine of £10 a year for each acre to the Potato Marketing Board—and that figure quite clearly has been determined upon the basis that it will be a prohibitive figure and will make it impossible for anybody else to enter this closed field of agriculture. But, more than that, the Board is given power to increase, as the noble Earl said in his opening speech, and also—and this he did not say—to decrease, the acreage of potatoes which may be grown, by any percentage by which they consider it ought to be decreased; and in that power they have a powerful instrument for restricting the supply of potatoes and for raising the price of them to any figure which will be agreeable to the majority of the constituents—namely, the potato growers—whom they represent. There again, there does not seem to be any safeguard of any kind for the consumer.

"It is said that the Board is going to have power to grade potatoes and to regulate the quality of them. That might be a desirable thing if it were, in fact, done, because I believe everybody knows that the quality of potatoes which can now be bought in the average greengrocer's shop in the principal urban areas is most deplorable: they are full of green spots or black spots; they will not keep; when they are cooked they turn black; they have very little taste—in fact, as I say, the quality is altogether deplorable. After all, these potatoes are being produced now by the potato growers, and I wonder whether the creation of this Board

is going to effect a revolution in the quality of the potatoes grown and lead to the consumer of potatoes in this country getting a better quality than he has got in the past.

"I have drawn the attention of the noble Earl's predecessor in the office which he holds to the question of the quality of potatoes. I do not know what all the causes of poor quality may be. Some are due no doubt to growing inferior qualities because they are heavy croppers and give the farmer a greater quantity of potatoes to sell for the same outlay of labour; and some of the deterioration is probably due to other conditions which affect the growing of potatoes. In addition, it has become common to treat potatoes with various chemical compounds, generically known as anti-sprouting agents, which also affect the quality. But are we really to believe that when these practices have become widespread and are being adopted by the people who elect the Potato Marketing Board, they are going to take the steps necessary to protect the consumer and ensure that he will get a better quality of potatoes at a reasonable price? I cannot see anything in this Scheme that is going to effect that."

LANDOWNERS AND MORTGAGEES

Commenting on the correspondence in our previous issue relating to the proposals made by a section of the Danish Land Values Commission, LORD DOUGLAS OF BARLOCH writes:

"There is dragged into the present controversy an allegation that Henry George considered mortgagor and mortgagee to be joint owners and that they should bear proportionately any loss caused by destruction of land values. One would want to see the whole of the correspondence upon which this allegation is founded before accepting it, because so far as I am aware there is not a trace of such a thing to be found in any of his published writings. It is certainly not the case that in English or American law mortgagee and mortgagor are joint owners. The mortgagee may or may not, according to the form of the transaction, have a species of property in the land (and improvements, if any) which form the security for his loan, but that property is defeasible and ceases upon the loan being repaid and it is certainly not a joint property. So much for law. In economics the lender of money is a capitalist not a landowner, and his position is not altered if he has security over land to fortify his position.

"I am not aware of any part of the world where land value taxation has been applied for either national or local purposes where a mortgagee has been treated as a joint owner. The consequences of so doing might well be disastrous, as I hinted in a paper presented at the New York International Conference. It is not true, as Lange suggested, that T.L.V. could only win the day if mortgagee and mortgagor are brought to share the burden. The opposite is the truth.

"All this is, however, an irrelevant side issue. It has nothing to do with a proposal under which the whole body of the population would be taxed in order to pay to landowners three-quarters of the present-day assessed value of their land."

In letters to LAND & LIBERTY, two veteran Australians who have each given life-long and distinguished service to the cause of the taxation of land values are severely critical of the compensation proposals advocated by a section of the Danish Land-Value Commission. They are E. J. Craigie, ex-M.P. of South Australia, a past President of the International Union, and A. G. Huie, former editor of the *Standard*, New South Wales.