

THE POLICY FOR FARMERS

Cheaper Land, More Freedom

Speech by Capt. A. R. McDougal

At *Keighley*, 1st November

The Yorkshire Land Values League held a well-attended Henry George Commemoration meeting at the Kiosk Café, Keighley, on Saturday, Mr John Henderson presiding.

Capt. A. R. McDougal, of Blythe in Berwickshire was the chief speaker. He was introduced as a practical tenant farmer of 4,000 acres with 30 years' experience and a son of a generation of farmers.

One of the most dangerous fallacies, Capt. McDougal said, was that farmers stood to gain by a tariff on grain since the great majority of farmers were grain consumers, whose interest it was to have cheap feeding stuffs. Cheap oats had driven down by £3 per ton the prices of bought feeding stuffs, such as oil-cakes, meals, etc. Therefore farmers were gaining more on cheap grain than they were losing on reduced prices of wheat and oats they had to sell. A tariff to protect the grain grower would be the greatest disaster that could befall agriculture. The British farmer did not require doles. He needed freedom and security to farm his best. His interest, like that of all the working people, lay in fighting against the landlord agitation to inflate food prices for bolstering up high land values.

Four out of five farmers were tenants, and it followed that as the tariffs increased the price of crops and the price of land, a farm to let would command more rent. It was safe to say that inside five years most, if not all, of the benefits of Protection would be absorbed in higher rent. The temporary boom would certainly be utilized by landlords to sell in many cases, and there would be a spate of "buy or quit" notices, tenants being compelled to buy at inflated prices or suffer eviction. This was just what happened in the post-war boom, provoked by the corn subsidy.

A PRACTICAL ILLUSTRATION

The Protectionist scheme of things might well be illustrated by supposing that the rent of farms on an estate was inflated by £1,000 a year. That equalled about 1s. a week if spread over 400 households. Instead of taxing food why not authorize the landlord to collect the tax himself by exacting 1s. a week from every house in the countryside? It would be an interesting sight to have the factor or agent calling for this weekly dole; but the people would see the robbery of Protection in its most remorseless form.

They might ask what was the immediate remedy for the farming depression they heard so much about? It was so obvious and simple, and yet so contentious, that he might be reviled for mentioning it. It was that rents must come down, instead of taxes going up. Wages were being depressed, though how the reduction of the purchasing power of their best customers, the working people themselves, was going to help them, he could not see. Arable farmers were paying from £1 to £5 per acre in rent. They should get their rents down to an economic level before cutting wages or crying out for State doles.

RENTS AND VALUES

Rent was what the farmer had to pay for permission to farm. The taxation of land values would be anything but a burden on agriculture, since agriculture had already been deprived of the rent. The taxation of the rent-receiver would not hurt the farmer, and as land value taxes would be used to relieve industry, including

the farmer, of taxes on their industry, then it would benefit them all.

The permanent solution of their farming troubles was to be found in a thorough-going reform of their antiquated and harmful system of land tenure. His policy was the taxation of land values and Free Trade.

The broad issue before them was whether the present low prices of food were to be raised artificially in order to bolster up the present high monopoly value of land. Briefly, it was dear food and dear land as against cheap food and cheap land, and, therefore, under land value taxation and Free Trade, the farmer as such would obtain what he most needed—namely, security of tenure, freedom to make improvements, and freedom from the fear of eviction and rack-renting. Agriculture must come first and not last, as it does at present under our landlord-made land laws.

AN EXPLANATION IN BRIEF

By W. R. Lester, M.A.

Under the present system rates and taxes are levied in proportion as land is made use of. The better the house, cottage or shop that is built the greater the load of rates and taxes we heap on it. To such an extreme is this carried that an owner of land escapes rates and taxes altogether if only he leaves his land idle and forbids work on it, even though it may be worth hundreds or thousands of pounds per acre. A very strong inducement is to the owners of land to lock it up against labour and enterprise (thus causing unemployment) because they can safely count on getting a higher price for it later on, and no taxes are payable so long as it remains idle. Never forget that idle land means idle men, and the land-famine which results from the hold-up means not only dear land, but dear and scarce houses. The point I desire to stress is that this high-priced land is directly due to our present system of taxation and rating which exempts unused land, however valuable it may be. It is a premium offered to land speculation, and its disastrous results are everywhere to be found.

Now turn to the system of land values taxation. The intention is to remove rates and taxes from improvements and place them on the value of the bare land, whether fully used, half-used or not used at all. Valuable land withheld for the rise will no longer be exempt from rates and taxes as it now is, and will have to pay just as much as if good use were made of it. The owner will pay rates and taxes in proportion to the value of his bare land, quite irrespective of the use he puts it to, and improvements will be correspondingly relieved from rates and taxes.

The land values tax will not be an additional tax, but only in substitution for the present rates and taxes on buildings and other improvements. Under this system it will no longer pay (as it so often does now) to lock up land where it is rising in value round growing towns and villages, thus making its price artificially high and bringing in its train the problems of unemployment and house famine. Under pressure of the land value tax all land will be put to the use for which it is best fitted, thus throwing open to labour and capital countless opportunities now closed to them.

Colonel J. C. Wedgwood, M.P., in an article in *John Bull*, 25th October, advocates a fusion of the Labour and Liberal forces with the taxation of land values as one of the main points on their joint programme.

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The *Keighley News* and the *Yorkshire Observer* carried good reports of Capt. McDougal's address printed above.