

HIGH RENT THREAT TO FARMING

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What is the main principle running through the Government's agricultural policy?

Stripped of all camouflage, it is simply that, faced with starvation in the midst of plenty, it proposes to remedy matters by abolishing plenty.

Protection, quotas, restriction or prohibition of imports, are all plain devices to restrict supplies and create scarcity, while the marketing schemes make no provision whatever for better marketing, increasing efficiency, reducing the costs of distribution, preventing rises in rent, or increasing wages.

CREATING MONOPOLIES

Take the potato scheme. It simply aims at reducing supplies, and incidentally gives the Potato Board powers to forbid anyone becoming a potato merchant and to forbid a farmer selling direct to a retailer, or even to a consumer.

The upshot of it all will be to create a vested interest in the form of a close corporation of potato merchants, entry to whose ranks can only be accomplished by buying a partnership, while the right to grow potatoes will be jealously guarded by a fine of £5 per acre for every new acre.

In none of the Government schemes is any mention made of rent or wages. Yet the policy is put forward to help agriculture, and the only people engaged in agriculture are left unprotected against rack rent and sweated labour.

THE REAL OBJECTIVE

Then what is the Government's real objective in thus ruthlessly sweating the consumer, if the farmer and worker are not to benefit?

The only deduction one can make is that the Government, under pressure from the mortgage-holders and the landowners, who find that the land is not now worth the amount for which it is mortgaged and that the rent received is insufficient to meet the interest on the mortgages and the family pensions to dowagers and younger sons, is determined at all costs to raise the value of land to meet the mortgages.

The old story of the British consumer and taxpayer being mulcted to make a bondholder's holiday is being enacted again.

RACK RENT AND STARVATION WAGES

To carry their policy they have successfully hoodwinked the not very politically astute farmer into believing the slogan of "Help the Farmer," when, of course, it is obvious that rent and price of land will shortly absorb the benefits, if there are any.

In a protected world the tenant farmer alone is to be left to face unlimited competition for a monopoly commodity—land. The result, of course, is rack rent and its inevitable accompaniment—starvation wages.

Meanwhile, farmers will be compelled to rent or buy farms at prices inflated to fictitious values.

Already the Government's policy has terribly damaged farmers, because, when negotiating either to buy or to get a reduction of rent, they are told by the landowners that rents and prices must remain up because the policy of price raising will soon restore farmers' profits.

BLEEDING THE CONSUMER

Thus, men, in order to retain their homes, are now compelled to pay rents that cannot be earned, and are driven to greater losses.

The Government completely ignores the fact that consumers' purchasing power is limited to the cash they have and that to make one article dearer means either that they buy less or do without something.

Mr Elliot, the Minister of Agriculture, himself proved it when he told the Commons how what he called "Fashion" had changed so quickly, in regard to the change over from beef and mutton to pork and bacon.

The truth was that the poor consumer, like a hunted fox, was merely trying to get his food where it was cheapest and that Mr Elliot and the Government were continually heading him off, so that he might be devoured by the landowners and bondholders.

THE PRICE RAISING POLICY

Always the deluded farmer assumes that the Government policy will raise the prices of his products, forgetting that everybody else is to get his prices raised too.

On balance, I am convinced, from observation and from the farmers' position in protected countries now, that British farmers will be the losers by the Government's policies.

Another point forgotten is that by quotas and restrictions of imports our consumers are being compelled to pay the foreigner more money for less food.

The fall in wheat is saving this country £30,000,000 a year in overseas payments, yet our Tory half-wits are moving heaven and earth to get overseas countries to restrict production and to send us less at higher prices.

THE TRUE CAUSE OF DEPRESSION

All through history it has been high rents and not low prices that have caused farming depression. From 1775 to 1795 farmers thrived well enough, with wheat about 46s., yet in 1804 we find a Commission reporting that agriculture would be ruined unless the price of wheat exceeded 70s.

Why? The answer was that rents had more than doubled. From 1795 to 1815 Scottish rents had risen from about two millions to over five millions a year. Farmers were ruined and workers were on Poor Law relief. Wheat rose 80 per cent and poor rates rose 50 per cent, while rents rose 150 per cent.

One wonders if any of the advocates of the Government's policy of crazy price raising ever think of what actually happens when agricultural prices rise fictitiously.

It happened after the war, yet it seems all forgotten.

When prices rise the competition for farms at once increases and rents and prices offered by the wildest speculators and optimists rule the market. The prudent farmer is compelled to accept these values under the threat of "Pay or Quit."

THE INEVITABLE COLLAPSE

Land, being a limited commodity, cannot be increased in supply. It can only rise in price under greater demand.

So farmers have to pay fictitiously high rents and prices for land. Landowners, on the other hand, gain heavily, but many proceed to raise more money from the land by increasing the mortgages on it, and if it is sold the new buyer very often mortgages it for two-thirds of its value.

So, after a few years, we have both farmers and landowners hopelessly entangled in soaring land values.

When the inevitable collapse comes, they attribute their ruin to the fall in prices, whereas the fall to normal in prices merely exposes the unsound position by inflated land values.