

C.L. 16



THE
INDUSTRY
OF
AGRICULTURE

BY

Dr. S. V. PEARSON



PUBLISHED BY
THE COMMONWEALTH LEAGUE
43, CHANCERY LANE, LONDON, W.C.2

PRICE

ONE PENNY

2304

THE INDUSTRY OF AGRICULTURE

BY

Dr. S. V. PEARSON

••••○••••

The raw material of agricultural industry in a thickly populated country like England should be cheap corn. To produce amply, land must be fed amply. The richest natural food for land comes from animals. To grow heavy crops of the vegetable kingdom any and every kind of holding must carry many livestock, pigs, poultry, bullocks and cows, etc., whose excreta feed the soil. This is a beneficent law. Cheap food is advantageous for the feeding of the members of the animal kingdom. Hence in England the importation of cereals from places abroad is necessary, for the cereals can be grown much more economically in foreign parts. Further, the temperate and favourable climate of our isles and the nearness of millions of mouths to be fed make it advisable and much more profitable to utilise much of our soil for a more prolific kind of agriculture than grain growing. Again such a plan brings the richer and more perishable products nearer the markets. It's a mad world which carries to us eggs from China and butter from New Zealand!

When agriculture knocks up against hard times such as the present, which are hitting also most other industries, it is expedient to discover (a) which branches of food production are doing worst and which best, (b) the essential causes harmful to industry generally.

I was talking a few weeks ago to a neighbour of mine who farms about 200 acres. He runs a general farm and keeps cows to supply milk locally. He had that day bought bran at £7 15s. a ton. It was of foreign origin and not as good quality as a similar English offal. He was not one of those lacking enterprise and commonsense, who are foolish buyers and sellers. A week previously he had sold a lot of his own home-grown wheat, whole, sound grain, an excellent sample, at £8 10s. a ton. Such transactions could not be called good business. They were not looked upon as such by the farmer. His labourers were receiving 25s. a week, and most of last year 30s. a week; and he, working harder than they, had earned in the previous year about 25s. a week and most of his board and lodging. He kept careful accounts. I know

another farmer who farms 500 acres not many miles away in the same county—Norfolk—who has not sold any of the grain he has grown on his farm during the last year. He keeps many cows and hundreds of pigs, good pedigree strain, for which he can get high prices. He uses all his own grain to feed his own animals, getting it ground locally or grinding it himself. He is making fair profits.

Experience Teaches.

I farm about 24 acres myself, using about 14 of this for standard crops in rotation, six for a poultry farm, and four and a half for kitchen garden. But I keep breeding sows and a pedigree boar, and always have round about 100 pigs on the place. I know from my own experience, dating back now over some 15 years or so, that I should not be able to show any appreciable profits—carefully dissected and audited accounts have always been kept—if our energies had been directed to standard crops alone, especially so in hard times. But to take the figures for the last three years, to December, 1922. The poultry farm accounts, kept separately, show a profit of £475 for the 36 months on a turnover of £3,500. Rather more than half of the profit was made in 1920. Roughly an average profit was made, after meeting all expenses, rent, labour, etc., of £13 per month on receipts of £100 per month on a poultry farm, largely run for egg production for food, with about 350 laying birds. The farm accounts, including kitchen and fruit garden and pig farm, were not so precise as my poultry farm accounts, because they were more complicated and because a careful yearly capital valuation was not made. But over the three years, including in the expenses the cost of several capital additions to pig-styes, sheds, improvement of stock, etc., the turnover was approximately £5,700 and the profit £550. Examination of the books reveals that this profit has been at a steadier rate than in the case of the poultry farm; that the kitchen garden would have shown but little profit if there had not been included in it hard fruit trees now beginning to yield well, and if the produce had not been used on the spot where a market of 100 mouths existed; and that a good deal of the profit came from the pigs—mostly sold for bacon to the Co-operative and another factory in the Midlands. Incidentally it might be mentioned that our farming operations have had the advantage of being run in co-operation with other affairs, that the rate of wages paid was considerably higher (perhaps 20 per cent. or more) than neighbouring standard wages, and that the employment of labour per acre was nearly ten times the standard on the farms in the neighbourhood. On several patches in my kitchen garden we grew five crops in the year, without any artificial heat other than that provided from hot-beds of manure.

A great deal of the land of England should be used to produce those products which have a higher food and money value than ordinary farming produces. Butter, table vegetables,

fruit, eggs, bacon, salads reach our shores from overseas in vast quantities when they might be grown at home. In practically all instances if they are to be produced at home that postulates richer manuring, more plenteous livestock fed on fodder crops and grain stuffs.

In this country as far as human beings are concerned we depart from Nature's law which ordains that the more thickly a country is inhabited by beings of the animal kingdom the more does the earth receive food from animal excreta and dead bodies and the more therefore will it produce. It is partly because we disregard this law that the question of "overpopulation" arises. Millions of pounds' worth of nitrogenous manure is wasted annually by flowing down the drains to befoul our waters and by our methods of burial. None the less, it is advantageous for the humans on the land, as well as the other members of the animal kingdom, to obtain cheap grain foods by the free importation of cereals. For it helps the labourer in town and rural district towards good nourishment and consequent capability for doing good work and to his having more money left for buying the more expensive products from the land. The production of quantities of good baconers for the bacon factories, of high-grade eggs, or butter steadily good in quality, can achieve much better returns than the ordinary four-course rotation farming with bullocks for the meat market and perhaps a few milch cows. But it is more likely to be profitable when cheap offals and other grain stuff can be procured, and that means free importation from those places in the globe where they can be most economically grown. Similarly, dairy farmers want cheap feeding stuffs.

How Danish Peasants Saved Denmark.

What did Denmark do when faced some 50-60 years ago with circumstances similar to those now confronting agriculturists in England? She found herself, at that time as much as now, a country dependent upon agriculture, faced with high costs and falling prices for her products. Her agriculturists turned down Protection. What did they do? Like sensible men they examined their accounts; they applied more science and more co-operation to their doings. They discovered that the returns on certain of their products were much better than on others. This applied especially to butter and hogs. So they applied their brains chiefly to these, and they accommodated their methods as time went on to the varying circumstances and foreign laws governing these trades. The results have been striking. Some of these have recently been published in "Economic Developments in Denmark," by H. Westergaard (Humphrey Milford, 1922). In 1870 Denmark exported 38 millions of kilograms of grain. In 1882 she exported none. In 1902 she imported 50 millions of kilograms. In 1868 her exports of butter were 5 million kilograms; in 1902 they amounted to 70 millions. In 1871 the area Denmark had under

fodder plants was 5 to 6,000 hectares (a hectare, about $2\frac{1}{2}$ acres). In 1881 it was thrice this. In 1901 it was 142,000 hectares; and since then this has again doubled. Similar figures indicate the remarkable progress in hog production.

As for the wages of the agricultural labourers, these increased from the equivalent of 109 dollars per annum in 1872 to 130 dollars in 1890, and to 185 dollars in 1910. Another point worth mentioning is that the proportion of pigs kept on a small holding was always larger than on the bigger farms. This is the same as holds good in England, where quite often only one old sow rooting about the farmyard is to be found on a farm of 200 to 1,000 acres. In 1909 in Denmark the number of hogs on holdings of a few hectares was three times those on holdings of 30 to 60 hectares.

In England, besides the conservatism of the average farmer, three important factors militate against progress in the manufacture of bacon. These are: firstly, the multiplicity of types of pig, and the unevenness of the baconers which reach the bacon factories; secondly, freightage rates; and thirdly, the burdens of various forms of taxes. As to the first, the complaints from the bacon factories are frequent and bitter. This factor and the second loom largest in the minds of those at the head of these factories when they speak of the great difficulties of competing with the high standard bacon imported into England from Denmark. (See, for example, letter in "Eastern Daily Press," 30/1/23.) Regarding freight rates, Lord Bledisloe the other day drew attention to the following facts:—Bacon coming from inland factories in Denmark could be transported to London at an inclusive rate for collection and delivery of 47s. a ton—that was for a distance of 600 miles. In this country the rates for bacon to London were: from Chippenham, 49s.; from Totnes, 59s.; from Redruth, 68s. 11d. Be it remembered in this connection that the railway companies in this country, almost more than any other bodies, are affected by the throttling grip of land monopoly and by its accompanying stupid system of levying rates and taxes. For a little information about how our rating system hits the railway companies, see Mr. Harper's paper before the Royal Statistical Society delivered in 1918 and published in their Journal. Nowadays a majority of Danish landowners are entirely opposed to the private ownership of land. They oppose it mainly for two reasons, viz.: (a) They know how hampering to enterprise is the levying of taxes, local and central, upon the owners of buildings and other improvements, and upon the hard-working earners of incomes, and they work for the day of relief from such burdens, generally very inequitably distributed, through the collection of land rent into the public coffers. They have a slogan, "Equal value, equal tax," and they want to see the scooping in of all the true annual value attaching to land apart from improvements which is created by the needs, growth, public expenditure, and industry of the community, so that this

is the means found to finance the public services. They have already secured the abolition of all tithes, and the valuation of land apart from improvements. (b) They believe that by such a reform access to land would be easier. A majority of landowners are small-holders. They often find it difficult to extend their holdings because of the monopoly grip of big holders, and still more difficult to get small holdings for their sons.

Colonise Our Own Country.

People must not associate small holdings and intensive culture with the sweated labour of present-day small-holders in England, for the most part isolated and unable to indulge in organised co-operation. These, who are to be pitied, founded their businesses upon the bolstering up, through land purchase and present methods of raising rates and taxes on improvements and earned incomes, of the principle of the private ownership of the community value attaching to land. Many of them only got a foothold on the soil to become slaves and a burden upon the taxpayers and ratepayers.

If present holders of agricultural land cannot make a living out of the industry, the suggestion may occur to some minds that the many farmers who say they are bankrupt should part with their land to the labourers. The labourers are skilled land workers who would like to try their hands as small-holders. Certain it is they would turn their attention to those more profitable branches of agricultural production which, as I have indicated, depend upon keeping more livestock to be fed on cheap imported grain stuffs. More food stuffs would be produced. For example, Sir Henry Rew has pointed out (Journal of Royal Statistical Society, January, 1922) that, taking official average yields, an acre will in four years grow 18 tons of "farm" produce, three-quarters of which would be turnips or swedes (assuming the acre cropped successively with wheat, roots, barley, and clover, and taking no account of meat and milk), 25 tons of potatoes, and 120-140 tons of tomatoes under glass. Further, more people would be employed in the rural districts, and this would help not only to relieve urban congestion, but also help to make up for the fact that our foreign trade is not expanding with our population. But could they thrive? I believe not. They would be hampered as much as their predecessors by those influences which at present hamper industry generally. And that brings me to the second part of my subject.

Agriculture suffers directly and indirectly by the burdens on, and the lack of freedom of, production, and by the general poverty of persons who crowd the great home markets. Opportunities for, and faith in, fruitful co-operation and training in scientific methods of a more intensive agriculture would soon grow up if these hampering influences could be banished. What are they, and how do they exert their influence? There are practically only two obstacles to profitable and free industry.

They are the chains of land monopoly and penalising taxation, and they are inseparably intertwined.

Agriculture, like other industries, is hampered by these factors at every turn. But in order to be brief, let only a few illustrations be taken. Consider some of the improvements that are proposed for the development of agriculture:—the manufacture of concrete for farm buildings; the building of silos; erection of cottages, of slaughter-houses; organising schemes of local drainage; the co-operative purchase of farm requisites, and the co-operative sale of farm produce; planting fruit trees; building more pig-styes; the utilising of mechanical energy, such as tractors, oil engines, electric motors; the grinding of every variety of corn. There is not one of these improvements that would not raise the assessable value of the farm and would not be the occasion of increased rates and taxes. Our present laws exact swift penalties on all improvement; they encourage the man who holds productive land out of use; they fine the man who is enterprising just in proportion as he puts labour and capital into the land. Men will not be more progressive and more industrious under such circumstances.

Take Land Rent to Free The Land User.

But no system of unrating and untaxing is of use unless combined with a sound method of raising revenue for the public services. That sound method is the appropriation of that which is made alone by the presence, growth, industry, and public expenditure of population, *i.e.*, the appropriation of land rent, using this term to mean the true annual value of land apart from the buildings and other improvements on or in it, whether the land be used or not. By that means the countryside which helps to contribute to the high value of city sites gets back some of its contributions. By that means, too, the land is forced into appropriate use because it no longer pays any holder to hold for speculative reasons. Thereby the closed avenues to employment are opened, wages rise, urban and rural workers alike begin to thrive, and enjoy without abatement the full fruits of their labour. Land rent is paid now, but it goes into the pockets of a comparatively few persons and does not accrue to the community which creates it, except in so far as a small amount is returned under Schedule A, etc. Hence the taxgatherer comes along and takes from the worker that which should be his alone, the products of his individual labour. And some land rent is not collected, namely, that due from the holders of land which is being held out of use or under-used. One of the forms in which land rent, as defined above, is privately instead of publicly owned is, of course, tithes.

If the land rent fund were collected for the common good to finance the public services, and it would be a good plan to remit it to the local authorities, the industry of agriculture would benefit greatly. As has recently been rather frequently

pointed out, the burden of education and of road upkeep falls especially heavily upon rural districts. The public land rent fund, which would reach at the very least £300 millions per annum, would remove that burden altogether. Similarly, through opening up opportunities its collection would relieve industry of all that heavy incubus at present weighing it down, incidentally causing unemployment, poverty, and house shortage, namely, the weight of poor relief, unemployment assurance and doles, public schemes for housing, for administering health, labour exchanges, ministers of agriculture, etc., etc. As things are going, whatever party gains office, the day is not far off when we shall live by paying one another's unemployment dole and the poor relief of each other's poverty! Nearly all Government officials being non-producers, all doles, and all tax and rate-fed plans for public subsidising of the poor through housing schemes, etc., are paid by those who are producing commodities. By the private appropriation of rent the landowners are able to capitalise every service of a paternalistic Government, at the same time forging stronger fetters on the people.

Finally, to take one more illustration of the obstacles hampering production, I will return to freight rates. I have mentioned road upkeep, that heavy cost which at present largely enhances the value of land for the benefit of landowners, though it is public expenditure out of funds produced by the workers. That expenditure should accrue to the true owners of the value created, the public, and the added value be collected annually as public revenue. It remains to refer to the railways. I find if I want to send kitchen garden produce by rail to the Saturday market at Norwich, 20 miles away, we have to start gathering on Thursdays, and freighting usually swallows up all chance of even a small return for the grower. By road there is more chance of such a return, and the vegetables need not be cut till Friday. The high railway freights would be bound to remain even if the railways were nationalised (in fact, they might become higher through the clamour and enhanced political power of railway servants), unless their two chief causes were removed—our present stupid, penalising systems of taxation to pay for a gross multitude of local and central departments, and our tolerance of the private ownership of the earth. Railway "capitalisation" is in the main land value with attendant monopoly of transport.

By such often rather subtle means is the producer hampered, the public mulcted, and the consumer impoverished. It is high time the people awoke and claimed their rights, then justice and freedom would reign.