



**AgEcon** SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

*No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.*

## THE BRITISH AGRICULTURE BILL.

By

J. B. MAYNE, B.EC.

In recent times there has been a marked trend on the part of governments the world over to assume wider powers over matters affecting the daily lives of the people. The post-war period is providing numerous examples of this trend, one of the most interesting being the British Agriculture Bill, now at the end of the Committee stage in the House of Commons.

The 110 clauses of the Bill aim to lay down the principles accepted by the Government and the agricultural community as to the essential bases of a stable and prosperous agricultural system. To reach the objectives of stability and prosperity, the Government and the agricultural population are to be drawn together to achieve these ends. This point was emphasised by Mr. T. Williams, Minister of Agriculture and Fisheries, when he said: "In essence it creates a partnership between the Government and the industry, and when it passes into law both partners will know in specific terms the rights and obligations to which they are committed."

In framing the Agriculture Bill the leading members of all the main representative bodies in the industry—the National Farmers' Union, the agricultural workers' unions, the Central Landowners' Association and the principal professional bodies in agriculture—were consulted at every stage of the formulation of the legislation. Even in the preliminary stages, there were published by these and other organisations interested in agriculture, a series of articles setting out the main lines on which each organisation felt a long-term policy for British agriculture should be based. There was much common ground between these policies and this helped the Government considerably in making its own plans. The Bill aims to incorporate all the common agreement and to include further features agreed on by a number of the organisations. This should assure for it a generally good reception.

Besides the consolidation of this general support, the success of the legislation will depend on the maintenance of mutual confidence between the industry and the Government, for without this confidence the machinery created will break down.

What are the main provisions of the Bill itself?

### Prices and Markets.

Part I of the Bill deals with guaranteed prices and assured markets, and opens with the general principles to which it is designed to give effect; namely, to promote and maintain, by the provision of guaranteed prices and assured markets for the principal agricultural products, a stable and efficient agricultural system able to produce such part of the United Kingdom's needs as it is in the national interest it should produce, and of producing it at minimum prices consistent with proper remuneration and living conditions for farmers and workers in agriculture, and an adequate return on invested capital. There does not appear to have been any serious criticism of this fundamental objective.

The principal agricultural products for which guaranteed prices and assured markets are provided are—fat cattle, sheep and pigs, milk, eggs, wheat, barley, oats, rye, potatoes and sugar beet. No mention is made of horticultural produce, apparently because it was felt that the peculiarities of fruit and vegetable production and marketing should receive special and separate consideration. Part I of the Bill recognises the right of the British farmer to know well in advance the conditions under which he will be able to sell his produce when ready for market. The aim is to have the industry flexible enough to withstand short-term fluctuations, and yet able to keep pace with economic changes in the world at large.

The Government's agricultural policy of reconciling stability and flexibility by price-fixing arrangements is reflected in the Bill. Price-fixing arrangements are to be written in to the legal framework and the Minister is required to hold annual price reviews in consultation with the producers' representatives. There is also provision for special reviews should a sudden substantial alteration of costs or any other special cause alter the economic condition of the industry. Prices for the principal agricultural products will then be fixed in the light of these reviews, and it is intended that they should apply sufficiently far ahead to enable the producer to plan his production realistically. Prices of crops will be fixed in the year previous to that in which they are to be harvested, and the actual prices for fat stock, milk and eggs will be fixed for a year ahead, with minimum prices laid down two to four years ahead.

No details of price-fixing machinery appear in the Bill, mainly because it is too early to decide on them while British farming is still operating under virtually war-time conditions, with a continuing shortage of food supplies available from overseas and scarcity conditions at home. However, the Bill does give the Agricultural Ministers and the Minister of Food full powers to establish new machinery or adapt existing machinery if and when the need arises. The prices fixed may be: a guaranteed fixed price, a rate of deficiency payment related to a standard price (such as under the British Wheat Acts), an acreage payment, a subsidy, or a price calculated in accordance with a formula (such as, for example, a price for pigs based on the price of feed). These different means of assuring the farmers' returns would need different administrative machinery in each case, and the Bill enables the Government to set up that machinery where appropriate.

In normal times it may be necessary to set some limit to the assured market at guaranteed prices. The Bill makes it clear that any such limitation of the market for a product must be decided upon as closely as possible to the time when the price of the product is fixed, so that the producer has in advance the same knowledge of the size of the guaranteed market as of the price itself.

The assurance of stability in the market for his principal produce is the main right conferred on the producer by the Bill, and the list of products concerned may be added to by the Minister.

**Estate Management and Husbandry.**

Part II of the Bill is concerned with the "Rules of Good Estate Management and Good Husbandry," and covers control measures necessary to ensure that an owner of agricultural land fulfils his duty to manage it efficiently, and that the farmer makes the most of good practices of husbandry. Persons not satisfying the minimum requirements may be made subject to the supervision of the Minister, and may even be dispossessed if no improvement in efficiency is forthcoming.

**Tenant Holdings.**

Part III of the Bill deals with agricultural holdings. One of its most important provisions is that it will aim to give greater security of tenure to the tenant farmer than he enjoys at present. When the Bill becomes law, a tenant will have the right to appeal to the Minister against a notice to quit given him by his landlord, unless he himself has broken the tenancy agreement or has gone bankrupt. The Minister will have to decide the outcome of the appeal in the light of whether a change in occupancy is likely to lead to more efficient use of the holding in question. An exception is made from these provisions where an owner has acquired land recently and before 25th March, 1947, and desires to farm the land himself or through a child or grandchild. The administration of this efficiency test may well prove difficult in some cases, but no doubt the experience gained in administering the Defence Regulations in wartime will be of considerable assistance.

Part III of the Bill also contains other provisions which will relieve many tenant farmers of disabilities under which they labour at present. Most important perhaps is that which enables either landlord or tenant to require the other party to the agreement to submit the rent of a holding to settlement by independent arbitration. But, once the rent of the holding has been fixed, it cannot be varied, except by agreement between the parties, for at least three years. In this way it will be possible to adjust farm rents to take account of economic changes in the industry and the profitability of the holding, while at the same time safeguarding the tenant against sudden changes in rent which would reduce the incentive to better farming.

Another important provision aims to hasten the end of 364-day tenancies which deprive the tenant of the protection he would otherwise enjoy under the Agricultural Holdings Act of 1923. There are other provisions to clarify the relations between landlord and tenant and to bring these relationships into line with modern conditions and farming practice; for example, if a tenant desired to carry out any improvements, he will be able to appeal to the Minister if the landlord refuses his consent.

To aid him in fulfilling the minimum requirements, the farmer will continue to have the help of the National Agricultural Advisory Service, and there will be a corresponding service on matters of estate management.

**Administrative Machinery.**

At this stage of reviewing the Bill it seems desirable to look at some of the organs of its administrative machinery. These are mostly covered in Part V. Among the more important are the County Agricultural Executive Committees and the Agricultural Land Tribunals. The County Agricultural Executive Committees will follow the pattern of the Interim Committees set up in 1946. The membership will not exceed twelve, of whom five will be appointed direct by the Minister and the remaining seven from panels nominated by the interests concerned, three being farmers, two workers, and two landowners. Each Committee will therefore have a majority of members who have been put forward as suitable candidates by their representative organisations. In this way, whilst the Committees will be agents of the Minister, who will be responsible to Parliament for their actions, the greatest possible measure of government from within the industry will be secured. This should ensure that the Committees will have the fullest confidence of the industry.

Practically all of the most important functions of the Minister under the Bill will be exercised through the County Committees and their local knowledge and practical experience will be at his disposal. The conduct of the Committees will determine the whole spirit with which the legislation is administered, and their success will in turn depend upon the mutual confidence that exists between the Government and the organisations that nominate their candidates for membership of the Committees. With regard to the five members of the Committee to be nominated by the Minister, one will be a member of the County Council concerned, appointed after consultation with the Council, so as to provide a link with the remaining agricultural duties of the County Councils, which are primarily agricultural education and the provision of small holdings. The other direct appointments will strengthen the Committee with persons of special qualifications, knowledge and experience, e.g., agricultural scientists, land agents and other professional men, smallholders, etc., according to circumstances in the particular County.

**Agricultural Land Tribunals.**

The powers conferred in the Bill will be drastic, and the Government has recognised that there must be independent courts of appeal; these will take the form of Agricultural Land Tribunals. These Tribunals will consist of an independent legal chairman appointed by the Lord Chancellor, with two other members: a farmer and a landowner appointed by the Minister from panels nominated by their respective organisations. The Tribunals will be assisted by two independent assessors with professional qualifications. They will have very important functions in dealing with appeals in such cases as dispossession, consent to notices to quit, and the issue of certificates of bad husbandry. Somewhat similar Tribunals are already in existence to deal with cases of dispossession under Defence Regulations, but the important point about the new Tribunals will be that their decisions will be final and binding on the Minister.

**Smallholdings.**

Part IV of the Bill deals with Smallholdings. The main feature of the Government's smallholdings policy is that the provision of smallholdings should be determined primarily by agricultural considerations rather than by social considerations. It is a purpose of the Bill that an agricultural career should be made more attractive to the worker. An attempt will be made to provide smallholdings for letting to people with previous agricultural experience, so that they will have an opportunity to become farmers on their own account. Control will be exercised over the splitting up of farms into uneconomic subdivisions. This section of the Bill also provides for the continuance of the powers to make grants for land drainage, water supply and the use of lime, and the continuance of the wartime services such as labour gangs and the provision of farm machinery through County Committee depots.

Part V of the Bill, in addition to setting down administrative details, provides for general powers of acquisition and management of agricultural land by the Minister, for the service of special directions to all farmers in an emergency, for the control of pests and weeds, for the provision of goods and services, and for miscellaneous supplementary matters.

**Acquisition of Land.**

It is necessary to deal separately with the provisions of the Bill which enable the Minister to acquire land compulsorily in order to secure full and effective use of the land in question. Among the powers conferred on the Minister are these: to acquire cultural land by agreement; to acquire land compulsorily where he is satisfied that full and efficient use cannot be made of it for agricultural purposes without the provision of equipment, or the carrying out or maintenance of works which could only reasonably be expected to be undertaken by the State; to purchase compulsorily land which has been requisitioned during the war; to make orders applying to all or selected parts of England and Wales, for the purpose of controlling the splitting up of farm units by the sale or lease of parts of those units. During the war similar powers were used to carry out work in the Fens of East Anglia to provide roads and houses, and to clear great areas of land which were potentially highly productive but had lain derelict for lack of adequate capital and resources to develop the land for productive use. The expenditure required was such that only the Government could reasonably be expected to undertake the work. In Wales there are many areas where the whole system of farming could be reorganised through the investment of capital on a large scale, so as to help the farmers compete economically under modern conditions. Such a scheme could be undertaken with the new powers.

Apart from compulsory acquisition, parcels of land will be coming into State ownership in other ways—where a bad landowner is dispossessed; where farms are severed by new roads and railways and must be re-arranged by the Government into economic units; where the Forestry Commission has agricultural

land not required for planting; or where an owner surrenders his land to the Exchequer in discharge of death duties. The management of this land will be entrusted to the Agricultural Land Commission which, when it is set up, will consist of five members selected by the Minister for their agricultural, business or administrative experience.

The Bill as a whole reflects the essence of the Government's policy—a joint effort to maintain a healthy agricultural industry which will make the best use of the land available and bring prosperity to those who live and work in the countryside. The Minister himself expressed the policy by saying that “it is designed to promote economic efficiency and not merely technical efficiency at any cost. That is what we all have to remember when considering the possibilities of expanding our agricultural production either by assistance to private enterprise or by State enterprise. I believe we can increase the output of our farms very considerably by greater efficiency, but it must be justified in economic terms as making the best use of our limited national resources of manpower and capital. If you and I put all our skill and energy into increasing the productivity of Britain's farms we shall be partners in a great enterprise which will benefit not only those who live by the land but every man, woman and child in the Kingdom.”

#### **Comments.**

In arriving at any adequate estimate of the part the Bill will play in British agriculture, it is necessary to remember certain basic facts. Britain possesses one of the most intensive agricultural systems in the world, and yet she is forced to rely on overseas imports to feed her population. The British economy is centred around the export trade which provides most of the wherewithal to pay for her imports of food and raw materials. The other main source of income is interest from foreign investment, but during the war Britain was forced to dispose of almost half of her foreign capital. This has meant an increased strain on the export trade. In such a situation, with no likelihood of a sudden major improvement, and with the American loan half spent, it is apparent that Britain's own production of food must remain at a maximum, and stay there for some time.

The Bill will attempt to rationalise the entire agricultural system to the peak of efficiency, subject to the continued co-operation of the agricultural population. But there is one major issue that must be decided later on. This Bill does not aim to be solely a temporary expedient to tide the United Kingdom over its present difficulties. Its objectives are specifically permanent and have a long-range character. Therefore, the question arises as to whether a guarantee should be given that British food production should be kept at a maximum, or whether the Minister should be allowed to decide that a smaller proportion of Britain's food production should be home-produced. Will Britain's food production be cut down later on, to enable her to reduce food subsidies and to take advantage of cheap food imports from overseas? This problem is a difficult one, and its outcome is related to the whole pattern of future international trade relations. The Economist suggests that it is necessary to make sure that British agriculture reaches

such a state of efficiency that will enable it to produce all it can without undue cost to the Exchequer. This would mean concentration on the production of protective foods, e.g., milk and dairy produce, which have high import costs, and putting aside the production of such wartime crops as potatoes, wheat and sugar-beet.

There is another big question which must be asked concerning the Bill—will it indeed have the powerful effect which it aims to have on the level of farming efficiency? The reformed system of land tenure might encourage the investment of capital, the Land Commission may inject new capital and techniques; but in the last resort, much will depend on the provisions for supervising and, if necessary, dispossessing any farmer or landowner who falls down on the task of good management or good husbandry. All the available comment on the Bill agrees on the point that, in practice, the supervision of farming efficiency will be lenient. Even if a farmer should be examined, he will be judged by a body which will include three farmers, two workers and two landowners in his area—men of his own calling—and, under these circumstances, only the seriously inefficient are likely to be removed from their holdings. In addition, any administration would be loth to exercise full coercive powers in the face of the British temperament of personal freedom and initiative. Nevertheless, efficiency must be raised in the national interest. One suggested solution is to make a much fuller use of price-fixing powers, so as to bring forward the right kind of products at prices consistent with efficient production. This could, to a certain extent, remove the fear of restrictions on output at a later stage. And it would probably mean concentration on many livestock products and protective foods, whose domestic prices are least likely to veer away from world prices. Indeed, as Britain is likely to remain so short of foreign exchange, there will be a strong trend to maintain domestic production for some time. This movement could be reconciled with future conditions by concentration on products whose position will be most favourable when conditions return to what we choose to call “normal.”

The British Agriculture Bill is a striking example of intervention in a field where processes of change have been accustomed to work themselves out least speedily; hence the Bill's somewhat unique character. Moreover, the ramifications of its effects reach into every corner of the entire economy. There can be no mistake as to agriculture's importance in assuring national stability. The success of the Bill, therefore, must depend on two main factors—the ability on the part of the Administration to retain and increase the co-operation between the Government and the farming community, and to reconcile Britain's present state and all its attendant difficulties with the position she hopes to occupy at a later and, it is hoped, happier period of her history.

---

(NOTE.—In preparing the above article, *The Explanatory Memorandum* (Cmd. 6996), which was presented to Parliament at the same time as the Bill, has been drawn on heavily.)