

GOVERNMENT POLICY AND BRITISH AGRICULTURE

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1917-1939

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ABSTRACT

This work considers government policy towards British agriculture, and the experiences of domestic farming from 1917 to 1939. It comprises a discussion of the development and limitations of agricultural policy, the production of farm commodities, patterns of agricultural incomes, and changes in farm performance and output.

Public Record Office files, parliamentary papers, ministerial publications, and surveys made by agricultural organizations, have been used to show how government policy and British farming responded to changing agricultural conditions. A large number of statistics have been compiled to clarify trends in agricultural production, agricultural incomes, and farm performance. The study is divided into a discussion of the development of policy from the First World War to 1939; an investigation of policy and production in respect of the principal farm commodities which were in receipt of government support; and an examination of the experiences of landlords, labourers, and farmers, (including an assessment of farm performance).

The thesis shows how the government became extensively involved in agriculture as a result of the wartime food production campaign and its attempt to promote agricultural expansion in the immediate post-War years; and how support was abandoned and agricultural incomes generally remained low until the end of the 1920s. Agriculture suffered severely from the depression of 1929-33, which saw the institution of direct government subsidies and import protection. Once the government accepted responsibility for the welfare of agriculture, it became involved in discussions not only with domestic farmers, but <sup>also with</sup> overseas suppliers of farm produce. Although agricultural incomes rose in the 1930s, this was due not only to policy and improved farming, but <sup>also</sup> to the failure to renew farm capital. When prices fell farmers usually were able to campaign successfully for further support, until by 1939 every major product of British agriculture was in receipt of some form of government assistance.

LIST OF ABBREVIATIONS

In the case of Public Record Office documents quoted in this study, only the call numbers appear in the footnotes. These consist almost solely of Cabinet Papers (CAB) and Ministry of Agriculture Files (MAF). Unless otherwise stated all books were published in London.

Abbreviations of Periodical Titles

AgHR	Agricultural History Review.
Agricultural Statistics	Ministry of Agriculture's annual publication of agricultural statistics.
EcHR	Economic History Review.
JAE	Journal of Agricultural Economics.
JPAES	Journal of the Proceedings of the Agricultural Economics Society.
JRASE	Journal of the Royal Agricultural Society.
JRSS	Journal of the Royal Statistical Society.
Econ.Ser.	Ministry of Agriculture Economic Series Marketing Reports.

Abbreviated Titles of Official and Other Institutions

AMC	Agricultural Mortgage Corporation.
APC	Committee on Agricultural Policy, (1937-9).
CEI	Committee on Economic Information.
CLA	Central Landowners' Association.
DoRA	Defence of the Realm Act, 1914.
EAC	Economic Advisory Council.
FBI	Federation of British Industry.
IDAC	Import Duties Advisory Committee.
MSC	Market Supply Committee.
NFU	National Farmers' Union.
NUAW	National Union of Agricultural Workers.
OSY	Ottawa Standard Year (July 1931-June 1932).
PAC	Public Assistance Committee.
PMSC	Produce Markets Supply Committee, (1933-5).
SNFU	Scottish National Farmers' Union.
TAC	Trade and Agriculture Committee, (1936-9).

TUC

Trades Union Council.

Abbreviations of Measurements

m.	Million.
£.	Pound sterling.
s.	Shillings.
d.	Pence.
cwt.	Hundredweight.
lb.	Pound weight.
qu.	Imperial quarter.
	(Imperial quarter of wheat = 480 lb.
	Imperial quarter of barley= 420 lb.
	Imperial quarter of oats = 300 lb.).

Years denoted by "1930/1" refer to the cereal year, (September to August), financial year (April-March), or part of the year 1930 to 1931. Years denoted by "1930-1" refer to the years 1930 and 1931.

Figures in parentheses in the tables are prices inclusive of government subsidy payments. Similarly, double lines on graphs of farm incomes indicate the additional amount provided by government subsidies.

INTRODUCTION

British agriculture was a relatively small sector of the UK economy in the inter-war years, but the problems it faced between 1917 and 1939 demanded considerable government attention. Domestic agriculture produced only 3-4% of the Gross Domestic Product and employed only 5-7% of the work force, yet it provided half the nation's food supply and governments felt unable to allow it to decline as a result of economic adversity. Immediately after the First World War the Ministry of Agriculture and Fisheries was created by one of over one hundred pieces of legislation relating specifically to agriculture in this period. The government became deeply involved in the welfare of British farming during the Slump, and questions concerning the protection of domestic agriculture figured prominently in the country's Empire and foreign trade policies from 1931. A large part of agriculture's problems in this period was related to the world over-supply of staple foods and to cheap imports, but protective measures were criticized as food taxes, and they also affected the balance of payments by influencing the ability of overseas countries to pay for British exports. The fact that Britain had to import so much of her food meant that apart from balancing the interests of domestic farmers and home consumers, the government had to consider the potential political and economic consequences of import restrictions, which circumscribed the scope of possible aid to domestic agriculture. As farmers were considered to require support in the 1930s, government aid became focused on the provision of direct subsidies, import protection, and domestic reorganization, and came to affect every major farm commodity by the end of the decade.

British agriculture, and government policy towards domestic farming, have received limited attention from historians. Edith Whetham has provided the most recent study of agriculture, but she was concerned principally with the experience of farmers in England and Wales, and was

not greatly interested in government policy-making.<sup>1</sup> In 1938, Astor and Rowntree produced a thorough account of British agriculture, which combined a discussion of agriculture policies and changes in the 1930s, with recommendations for a future approach.<sup>2</sup> These are the two principal published works which relate specifically to farming throughout the inter-war years. Priscilla Baines' thesis emphasized the political aspects of agricultural development during 1919-39 in relation to the Conservative, Labour, and Liberal Parties, and the representatives of agriculture.<sup>3</sup> She was less concerned with the economic condition of farming, and did not examine the development of agricultural policy at Cabinet, ministerial, or inter-departmental level. A large part of her study is devoted to the sugar beet industry. More recently A.F. Cooper has provided a survey of Conservative agricultural politics over a longer period,<sup>4</sup> and Elizabeth M.M. Taylor has examined the politics of Walter Elliot (Minister of Agriculture 1932-6).<sup>5</sup>

1. Whetham, Edith, The Agrarian History of England and Wales, 1914-39, (Cambridge, 1978). In her introduction she stated that it was "...my intention to provide an account of what it felt like to be a landowner, farmer, or farm worker in England and Wales...from 1914 to 1939,... [but I have not] attempted to write a history of the making of agricultural policy...I have preferred to concentrate on its results at the point where legislation or ministerial pronouncements influenced farmers' plans for production".

2. Astor, Viscount and Rowntree, B.S., British Agriculture, The Principles of Future Policy, (1938).

3. Baines, Priscilla J., 'British Agricultural Development in the Inter-War Period 1919-39 with Special Reference to the Contribution of Interest Groups', (Unpublished Oxford University B.Lit., 1969). This thesis was written using the papers of the political parties, Commons Debates, Command Papers, publications by the National Farmers' Union, and many printed and secondary sources. Little reference was made to Public Record Office files.

4. Cooper, A.F., 'The Transformation of Agricultural Policy, 1912-36: A study in Conservative politics', (Unpublished Oxford University D.Phil., 1980).

5. Taylor, Elizabeth M.M., 'The Politics of Walter Elliot, 1929-36', (Unpublished Edinburgh University Ph.D., 1980).

Other works by historians and economists have given agriculture limited attention as part of a general study of the economy in the inter-war years, and usually have been critical of agricultural policy.<sup>1</sup> Finally, there have been statistical studies of the role of agriculture in expanding mature economies, which have used the British case as a major example.<sup>2</sup>

This thesis describes and analyses government agricultural policy and changes in British farming during the period 1917-39. Government involvement in agriculture was most extensive in the 1930s, but this decade cannot be understood properly without reference to the earlier developments in the 1920s and the First World War. Government intervention in wartime food supply really commenced with the production campaign of 1917 which, by reversing existing agricultural trends, left the government with a responsibility for post-War agriculture, and hence marks the beginning of agricultural policy. The outbreak of the Second World War required a different set of responses than <sup>from</sup> peace-time, and 1939 forms a suitable terminal date for this study. The whole of Great Britain has been treated because it forms a recognizable geographical unit, and most agricultural measures referred to England, Wales, and Scotland, although the latter might have its own legislation. Northern Ireland agriculture, however, received separate attention and its structure and legislative policies were different from those of Great Britain.

1. Pollard, S., The Development of the British Economy, 1914-1950, (1962), pp.134-45 is the most useful and provides a survey of government policy and agriculture which criticizes the cost and effectiveness of policy. Youngson, A.J., Britain's Economic Growth, 1920-1966, (1967), pp.115-20, provides a shorter but similarly critical account. Aldcroft, D.H., The Inter-War Economy: Britain, 1919-1939, (1970), and Ashworth, W., An Economic History of England, 1870-1939, (1960), devote less attention to agriculture.

2. The major studies are Ojala, E.M., Agriculture and Economic Progress, (1952), and Bellerby, J.R., Agriculture and Industry Relative Income, (1956).

This thesis concentrates upon the government's approach to agricultural policy, official reviews of agriculture and policy, domestic and overseas constraints to support and expansion, and the effects of government intervention upon farming. In addition, it also considers the agricultural sector's experience of the period, the incomes of landlords, farmers, and labourers, farming performance, and agriculture's response to government policy and changing economic fortune. Because of the extensive nature of the subject and its documentation,<sup>1</sup> and the limitations of space, it has not proved possible to treat the period by a full economic, administrative, political, and social analysis. Consequently this study has concentrated on an examination of the development, limitations, and effects of policy on agriculture, and an economic analysis of farming. The political approach to policy has not been discussed,<sup>2</sup> neither have the macro-economic aspects of agricultural policy and trade policy been considered.<sup>3</sup> The limitations on length have also forced the exclusion of a detailed examination of some of the commodities of British agriculture. Hence, only those products for which there was either direct government support, or some form of structural control have been included. Sugar beet has been excluded because it has received attention elsewhere, and because the subsidy granted in 1925 was paid to the beet sugar refining industry and not to beet producers.<sup>4</sup>

1. There are probably over 50,000 Ministry of Agriculture files relating to agriculture in this period in the Public Record Office, in addition to relevant Cabinet, Board of Trade, Dominions Office, other departmental papers, and other source materials.

2. This has been treated by Priscilla Baines, A.F.Cooper, and Elizabeth Taylor.

3. These have been investigated by Ojala, Bellerby, and others.

4. See Baines, Op.Cit. pp.175-315; Wood,A. The Home Grown Sugar Industry, (1931); Econ.Ser. No.27, Report on the Sugar Beet Industry at Home and Abroad, 1931.



Poultry and horticultural produce which expanded in the period, but which were assisted only by duties, have also been excluded. A background knowledge of trends in the domestic and international economy is readily available from a number of standard texts, and these have not been discussed here except where developments relate directly to agricultural experience or government decisions. Finally, a large number of statistical tables have been included because in a short period of fairly marked fluctuations, series cannot be broken down without a great loss of accuracy.

The main results of this study show how agricultural policy developed and related to the pattern of agricultural incomes and changes in the period 1917 to 1939. Agricultural policy grew out of government intervention in the economy during the First World War, which by reversing the existing economic trends, left the government with a responsibility for the welfare of agriculture in the post-War world. This developed into a policy of agricultural expansion aimed at reducing the import bill, securing a rural revival, and providing national security, to be achieved through certain price guarantees to arable farming. However, the expense that would have been involved as a result of the price fall in 1921, which occurred at a time of financial stringency, led to the withdrawal of support although not the abandonment of the aims of policy. Thereafter, the 1920s were generally dominated by laissez-faire attitudes. Although assistance was given to arable farmers and to labourers, and measures were taken to reduce farm costs and charges on land, it was clearly stated that there were to be no direct subsidies or measures of import protection.

Farm incomes, which had been high during the Great War, slumped in 1921, and remained low until the end of the 1920s, and were then sharply reduced in the depression of 1929-33. Cries of distress, especially from arable farmers, and the national shift to protection during the winter of 1931/2, brought about the introduction of new measures of assistance to farming. These were principally the wheat subsidy, legislation for

marketing reform, quotas on meat imports arranged at the Ottawa Conference, and some protection against other imports. Although conditions soon improved, farmers were able to demand further support for price problems, which resulted from domestic overproduction and inability to compete with cheap imports.

Trade relations and the development of an agricultural policy were very closely connected, especially in the great depression of 1929-33 and the 1930s generally, when cheap imports helped to depress some domestic farm product prices. The Ottawa Conference in 1932 not only resulted in meat import quotas, it also introduced a number of other measures of protection, and various constraints to further limitations. The government was occupied until 1936 in attempting to remove these constraints in order to introduce a higher level of agricultural support in the form of levy-subsidies.<sup>1</sup> In reviews which followed Ottawa and the subsequent foreign trade agreements, it was decided that agriculture was not to be encouraged to expand because of the detrimental effect this would have on the export sector and on employment, and that levy-subsidies provided the best means of support for what was no longer a temporary situation. In the event Dominion and foreign opposition made it impossible to introduce such subsidies, and direct loans which had been offered as temporary support were converted into direct payments to producers and became permanent features of agricultural policy. In addition, commodity commissions were introduced to further agricultural reforms which the marketing boards had proved unwilling to make. Thereafter, considerations of national defence in the likely event of a future war called into question the decision that there was to be no encouragement to agricultural expansion.

1. Levy-subsidies were forms of payment to producers derived from a low duty on a relatively larger volume of imported produce.

By the end of the 1930s every major product of British agriculture was in receipt of some form of subsidy or protection, although with some commodities this was subsidiary to domestic reorganization and controlled production. Farm incomes after the depression were higher in the 1930s than they had been in the 1920s. Part of this was due to government action, but many farmers were living off the capital invested in their land, and total incomes from the majority of farms were lower than average national earnings.

Because both the formation and the effects of government agricultural policy are examined in this thesis, the materials consulted range accordingly from Public Record Office files to various agricultural sources. The major documents used, in order of relationship to responsibility for policy, have been : the Cabinet papers; reports and minutes of the Cabinet Committees with responsibility for agricultural questions, especially those of the Produce Markets Supply Committee (1933-5), Trade and Agriculture Committee (1935-9), and Agricultural Policy Committee (1937-9); Ministry of Agriculture files; inter-departmental committee papers; Statutes; Ministerial Orders; Command papers; parliamentary debates; and ministerial publications relating to food and agriculture. These official sources have been used in conjunction with reports and statements from organizations representing agricultural interests; agricultural colleges; farming journals; and commentators on agriculture; together with subsequent historical monographs and articles.

The study is presented in four parts. Part One discusses the development of agricultural policy from government intervention in food production in the First World War, through the decade of largely free trade attitudes in respect agriculture from 1921 to 1931, to the active and continued management of an agricultural policy in the 1930s. Part Two investigates government intervention in production and marketing reform, but concentrates on policy in respect of those agricultural commodities

for which some form of direct government support or regulation was provided. Thirdly, the effects of agricultural policy and changing agricultural experiences and responses are examined in respect of landlords, farmers, and labourers. Finally, the conclusion provides a brief resumé, and an assessment of government policy and agricultural performance in the period 1917-39.

PART I

GOVERNMENT POLICY TOWARDS BRITISH AGRICULTURE :

THE FIRST WORLD WAR TO 1939.

GOVERNMENT, AGRICULTURE, AND FOOD PRODUCTION DURING THE FIRST WORLD WAR

Before the First World War there was no comprehensive, positive, or consistent agricultural policy.<sup>1</sup> Agriculture was left to adapt itself to changing economic forces except for a definite approach towards tenants' rights, the provision of smallholdings, and a tentative policy for improving the labourers' position. On a more general level, steps were taken to further agricultural education and research, but subsidies and protection were considered totally unacceptable. The registration duty imposed on imported wheat during the South African War was withdrawn because of the absolute refusal of the country to consider any policy of protection (as was witnessed by the 1906 General Election).

In this atmosphere, and against the background of the Liberal Land Campaign, Britain began to develop an agricultural policy. The advent of Walter Runciman at the Board of Agriculture in 1911 marked the earliest appointment of a politician of the first rank to its presidency, and the creation of the Development Commissions in 1909-10 marked the intention of the state to play a part in promoting the welfare of agriculture and rural life. This was to be effected by fostering smallholdings, tenant rights, co-operative enterprise, livestock improvement, agricultural research and education, and the study of agricultural economics. This was the extent of government involvement when war broke out during the 1914 harvest.

1. For a thorough discussion of British agriculture in the late nineteenth-century see Perry, P.J., (ed), British Agriculture, 1875-1914, (1973), especially the editor's introduction and essays by T.W.Fletcher and H.M.Conacher. See also Orwin, C. and Whetham, E.H., A History of British Agriculture, 1846-1914, (1964), and Ernle, Lord, English Farming Past and Present, (1912 and subsequent editions).

The First World War brought a significant change in agricultural policy and trends in farm production. Since the mid-nineteenth century, British agriculture had changed from its traditional adherence to cereals in particular, and arable and mixed farming generally, towards an increasing emphasis on livestock production. The agricultural sector had also contracted relative to other economic enterprises.<sup>1</sup> Millions of acres ploughed up in the Napoleonic Wars to feed an increasing industrial population were returned to pasture as cheap American grain entered the markets in the 1870s and 1880s, and British farmers turned to meat and milk production. Hundreds of thousands of men left the land for other employment. Although output continued to rise, the increasing population required a greater amount of imported produce to keep it fed, and since the more staple imports were often highly competitive with domestic produce, farmers turned towards the 'naturally protected' and higher quality foods. However, these trends were reversed when the strategic stalemate on the western front in the First World War turned the conflict into one of national and industrial attrition involving the whole of the nation's manpower and resources. A reduction in food supplies in 1916 occasioned rapid and unprecedented changes in the objectives, organization and output of domestic agriculture in an attempt to avoid food shortages.

In the first two years of war, 1914/15 and 1915/16, domestic output rose as the government urged farmers to produce more grain and potatoes.<sup>2</sup> However, as agriculture suffered shortages of labour and raw materials from 1916 onwards domestic output was reduced, and imports fell as a result of submarine warfare.<sup>3</sup> The situation became so critical that the

1. This result is to be expected in mature expanding industrial economies. See Ojala, Agriculture and Economic Progress, and Perry, British Agriculture, 1875-1914.

2. Tables WW.I and GP.I.

3. Tables WW.I and GP.I.

government was forced to intervene and it declared a policy of encouraging arable and cereal farming as being more productive of the energy-giving foods necessary in wartime. The Board of Agriculture took unprecedented powers to enforce improvements in arable husbandry and the reclamation of grassland. The Corn Production Act, passed in 1917, guaranteed minimum prices for wheat and oats to protect farmers from loss after the War resulting from wartime changes in land use, and the Board attempted to support production by easing the supply of the requisites of arable farming. Thus it was intended to raise yields in 1917, and to gain a large-scale reclamation of grassland in 1918. Although the production targets were not met, the greater utilization and more efficient distribution of available produce almost maintained the supply of food. However, the use of land had never changed so dramatically, as the government instituted a reversal of the economic and productive trends in agriculture over the previous half-century.<sup>1</sup> The government's active war-time intervention in agriculture left it with a responsibility for the welfare of farming in the immediate post-War period, and caused it to consider the future structure of agriculture and the part farming was to play in the economy.

#### Food Production and Control during Wartime, 1915-17

The government first became concerned about food supplies before the 1915 harvest, and in June appointed the Milner Committee to consider how production might be maintained or increased should the war continue beyond the 1916 harvest. The Interim Report in July<sup>2</sup> stated that to obtain a substantial increase in wheat, oats, and potato production (those crops which provided the most human food), farmers would have to sacrifice the

1. Ernle, Lord, 'The Food Campaign of 1916-18', JRASE, 1921; Middleton, T.H., Food Production in War, (1923); Hammond, R.J., Food, (1956); Whetham E.H., 'The Agriculture Act, 1920 and its Repeal - the "Great Betrayal"', AgHR, 1974; Sheail, J., 'Land Improvement and Reclamation: The Experiences of the First World War in England and Wales', AgHR, 1976; Dewey, P.E., 'Food Production and Policy in the United Kingdom, 1914-1918', Transactions of the Royal Historical Society, 1980, pp.71-89.

2. Departmental Committee on the Production of Food in England and Wales, Interim Report, Cmd.8048, 1914-16.



comparative certainty of their present profits by changing their methods and rotations in order to increase the arable area, in the face of labour shortages, and take the risk of a fall in wheat prices at the end of the War.<sup>1</sup> Thus the Committee suggested that there should be a guaranteed minimum home wheat price for a period of years. The Scottish Committee noted the existing increase in acreage and prices and opposed the guarantees, while the Irish Committee favoured guaranteed wheat and oats prices for one year as an emergency measure.<sup>2</sup> The Milner Committee also suggested that the Board of Agriculture should facilitate the arable expansion by inviting each county council to set up an agricultural committee to provide guidance for farmers, and identify shortages of labour, horses, and other pre-requisites. These War Agricultural Committees were established in most counties by the autumn of 1915.

Farmers had responded to the call to produce more grain and potatoes for the 1915 harvest and abandoned their usual rotations. Such an expansion could not be maintained, however, because the land became infertile and ridden with pests and weeds, and although the arable acreage did not decline in 1916, the land under wheat and potatoes was reduced by almost a tenth.<sup>3</sup> A reduced volume of food imports accompanied the reduced domestic output<sup>4</sup>, and in August 1916 the Reconstruction Committee appointed an Agricultural Policy Sub-Committee to consider how domestic food production might be increased and to prepare proposals for agriculture in the post-War economy.

Britain began to experience food supply problems from late 1916. Germany commenced unlimited submarine warfare then, and the poor corn and

1. Ibid. and Final Report, Cmd.8095, 1914-16.

2. Report of the Departmental Committee on Food Production in Ireland, Cmd. 8046, 1914-16.

3. Tables P.II and C.II.

4. Ibid.; Tables WW.I and GP.I.

potato harvest from a reduced acreage, combined with short meat supplies, left food stocks low. The autumn of 1916 was bad for ploughing and sowing, and was followed by a severe and protracted winter. There were great losses of labour to the army as the single male conscription introduced in February 1916 was followed by full conscription in June. Imports of food, concentrates and fertilizers were reduced as shipping space was re-allocated, for while these imports were vital, the greater priority was for munitions. Food prices rose due to shortage, to the benefit of farmers and to the detriment of consumers.<sup>1</sup>

The government's reaction to the growing danger of inadequate supplies marked the turning point in agricultural policy. The government began a campaign to reverse the direction of agricultural change, which left it with an inherent responsibility for agriculture after the War.

The food production campaign began in December with a speech from R.E. Prothero, the President of the Board of Agriculture.<sup>2</sup> He stated that it was the government's intention to offer a wheat contract price of 60s. a quarter, contract prices for oats, potatoes, and hay, and exemptions from fines for breaks of covenants which forbade tenants ploughing up grassland. There would be no further call-up of agricultural labour until a careful scrutiny of the census returns was made, thus ending the system of fortnightly exemptions. It was hoped that feed prices might be kept down, and it was intended to survey all agricultural land in order to secure its fullest productive use. Two circular letters to the agricultural committees followed the statement, on the lines of the Milner Committee's Interim Report, concerning the improvement and extension of arable cultivation, the decentralization of powers of more direct control over agricultural

1. Ernle, Lord, 'The Food Campaign of 1916-18', JRASE, 1921, pp.2-5. Lord Ernle was the pseudonym of R.E. Prothero (created Baron Ernle in 1919), the President of the Board of Agriculture during the First World War.

2. The Times, December 21, 1916.

production, and the adoption of drastic powers of compulsion tolerable only for the wartime emergency.<sup>1</sup> The War Agricultural Committees had proved to be unwieldy except for consultation and advice, and by the Cultivation of Lands Order, of January 1917 they appointed smaller County Agricultural Executive Committees armed with the Board's powers under Regulation 2T of DoRA.<sup>2</sup> These new bodies might issue orders for the improvement of cultivation, prohibit the growing of less essential crops, end tenancies, possess and cultivate farm land, and commandeer stock, produce, and machinery. They became the agents of a new executive section within the Board, the Food Production Department, while the War Agricultural Committees became virtually defunct.<sup>3</sup> These changes enabled the Board to increase the size of the grain and potato harvest from 1917 onwards.<sup>4</sup>

It was also in January 1917 that the Interim Report of the Selborne Sub-Committee was published.<sup>5</sup> It accepted the current views of Sir Thomas Middleton and the Royal Society's Food (War) Committee which held that in wartime the most important foods were those giving energy, usually starch in the form of bread.<sup>6</sup> As imports of grain, meat, cattle feed, and fertilizer were threatened, there were dangers of bread, winter milk, and meat shortages, and the further depletion of fertility on tired land. Tillage was regarded as the best approach since it provided three times as much output of human food as grass, which was to be cultivated because its stored-up energy reduced the need for fertilizers. It was held that 100 acres of good grass provided meat for 25-40 persons in a year, while this

1. Ernle, 'Food Campaign', p.5.

2. The Defence of the Realm Act, 1914.

3. Sheail, J., 'Land Improvement and Reclamation: The Experiences of the First World War in England and Wales, AHR, 1976, p.111; Ernle, 'Food Campaign,' pp.6-8.

4. Tables WW.I, C.II-III, and P.II.

5. Interim Report of the Agricultural Policy Sub-Committee of the Reconstruction Committee, Cmd.8506, 1917, pp.1-19.

6. Ibid.; T.H. Middleton, The Recent Development of German Agriculture, Cmd.8305, 1916; Ernle, 'Food Campaign,' pp.21-3;

acreage of wheat could provide bread for 200 persons, and 100 acres of potatoes could feed 400 people.<sup>1</sup> The Selborne Sub-Committee and the Board observed that meat cost more energy to produce than it gave as food, and decided that pasture should be ploughed-up, and that this approach would be enforced by local farmers as the best judges of their own districts. The Ministry of Food developed the "Breadstuffs Policy", stating that there would be no rationing of bread and that priority in shipping would go to grain.<sup>2</sup> Consequently, to encourage domestic arable production the Selborne Sub-Committee recommended guaranteed minimum prices of 42s. a quarter for wheat and 23s. for oats,<sup>3</sup> or an equivalent price in relation to the standard of value, for four years after the War, with a payment on all quarters harvested. Farmers might then recoup the high cost of ploughing grassland and purchasing implements over the period of a normal crop rotation. A minimum farm wage was recommended, to be operated through county wages boards, to ensure that labourers gained a fair share in the profits of agriculture. By the winter of 1916/17 farm wages lagged desperately behind the national average, but the men could not combine or strike for a decent wage, because they were too few and were often exempted from conscription to work on a particular farm. Rents, however, were not to rise as a result of the guarantees. Finally, it was recommended that the state should reserve powers to influence land use in the national interest.

As the German offensive of March - July 1917, and increased submarine activity, put heavy demands on tonnage space, the recommendations offering

1. Ernle, 'Food Campaign', pp.21-2.

2. Beveridge, W.H., British Food Control, (1928), pp.16-17.

3. Barley was omitted in deference to the temperance movement.

security and compulsion were adopted almost completely in the Corn Production Act in August. Minimum prices for wheat and oats sold were laid down for six years to ensure the continued profitability of wartime changes in land use and management, and restrictions placed on rent increases so that effective cultivation could be enforced without without farmers losing the benefits of the Act. A national statutory minimum farm wage of 25s. a week was prescribed, subject to review by an Agricultural Wages Board, and powers were granted to enforce cultivation improvements.

The influence of the Corn Production Act during the Great War has often been exaggerated. The success of the Act was seen as depending upon the level of prices. The guarantees had to be promised for a number of years to encourage the necessary investment, but the future market was difficult to predict, especially after the War. The price might be too low to encourage production, or so high that the government would face enormous expense in supporting a glutted market.<sup>1</sup> In the event, the government's decision to purchase the whole of the 1917 harvest at the Food Controller's minimum contract prices, implying the intention to do this throughout the War, circumvented the market and the guaranteed price was effectively superseded by the contract price.<sup>2</sup> Rising farm incomes and the growing scarcity of skilled farm labour did as much for the workers as statutory regulation. Finally, the Board did not use the powers to order cultivation changes, because it preferred the wider powers available under DoRA.

#### Meat Control, 1915-18

Meat supplies were also regulated in accord with the breadstuffs policy. Early in the War meat was controlled by the Board of Trade which

1. CAB 23/1, War Cabinet Meeting, 14 Feb.1917, Minute 1.

2. Prothero thought that even if the contract system were not renewed, the market price would never fall so low that the government would have to spend money supporting the price. Turner, J., Lloyd George's Secretariat, (Cambridge, 1980), p.52.

supplied the army with most of the imported meat, and the remainder, together with domestic supplies, passed to the civilian population without control of retail prices. However, shortages from September 1915 produced dramatic price rises which became acute by 1917.<sup>1</sup> After two years of war the strain on shipping had become too great for the remoter sources of supply, such as the Antipodes, which were abandoned in favour of a growing dependence upon North American pigmeats. Thus in early 1917 the Royal Society advocated a reduction in the number of livestock to balance the reduced supplies of largely imported feed and to alleviate the current meat shortage, although this would have an adverse affect on future meat supplies. The plan received Cabinet approval but was to last only until the autumn.

Meat policy discussions during 1917 centred on the question of price control. Sales to the army were voluntary, but there was a threat of requisition if supplies were not sufficient, and if a scramble between army and civilian buyers were to be avoided, meat prices, or beef prices at least, had to be controlled. In July, before leaving office, Lord Devonport, the Minister of Food, agreed to fix maximum wholesale, and perhaps retail prices, at levels somewhat lower than those that might result from the army's scale of maximum cattle prices.<sup>2</sup> His successor, Lord Rhondda and his aides, were aware that price control which was to be implemented immediately, was not feasible without control of supply, which would take time to arrange. Also, the proposed scale for army purchases at 77s. per live cwt. in August falling to 72s. for October to December, was an inflated price level that they argued had no justification in

1. Tables WW.I, L.I-II, L.V-VIII, L.X-XI.

2. Hammond, R.J., Food, (Official History of the Second World War, 1962), p.152.

comparably increased production costs. It was planned to win approval for control by an immediate drastic price reduction, which by making it unprofitable for farmers to continue fattening stock might increase meat availability. Lord Rhondda's price scale was lower than Lord Devonport's, but after compromise with the agricultural departments the original figures for September and October (falling to 60s. a live cwt. in January), were embodied in the Meat (Maximum Prices) order, of July 1917.<sup>1</sup>

Protests from farmers and butchers throughout July and August were unavailing, and from September the Ministry of Food introduced corresponding wholesale prices and empowered the local food committees to fix retail prices. However, before supply control plans were ready, heavy slaughterings occurred as a result of alarm at the price levels and a shortage of feed. These produced a partial surplus of stock for military needs, but gave way to some severe local scarcity by December, forcing the Minister of Food to make the Cattle (Sales) Order, 1917 and the Sheep (Sales) Order in January, 1918, controlling sales and abandoning the descending price scale. The price scale failed because it was in total contradiction to the usual trend for prices to rise through the winter, which compensated for higher feeding costs then and encouraged more regular marketing of fatstock.

As a result of the shortages meat rationing appeared in February 1918 in London, served the whole country in April, and was made official by the Livestock (Sales) Order in May. The Area Meat and Livestock Organization was created to control meat supplies, and while most meat was sold live weight, three slaughter schemes operated and some farmer's co-operative slaughterhouses were established. Although seasonal variations in prices, levelled out to consumers through the Central Livestock Fund, were used to encourage regular marketing, supply constantly fluctuated and deliveries were made more regular only through the use of a frozen meat reserve. A

1. Ibid. pp.151-2.

system of uniform controlled meat prices was introduced under rationing, regardless of the product's grade or origin.<sup>1</sup> Home production of all meats held out until early 1918 when the massive slaughterings induced by this disastrous policy left great scarcity. Imports of beef, veal, mutton, lamb, and pork declined absolutely and relative to total UK supplies in the War, and only bacon imports increased greatly.<sup>2</sup>

#### Food Rationing Proposals and Production Controls, 1917-18

The need for planned food production was also emphasized in March 1917 as weaknesses in the supply of oats and sugar occurred, and it was noted that the price of food, especially cheap food, had increased by more than the cost of living.<sup>3</sup> Devonport, was attacked for laxity in handling the sugar shortage and for insisting upon 'meatless days' (enforced in catering establishments for only a month) when meat was more plentiful than cereals, the obvious substitute, which were in short supply.<sup>4</sup> Food importers claimed that Devonport's price fixing policies discouraged them from placing orders abroad, and they might not import sufficient to feed the country.<sup>5</sup> However, Devonport's proposals for contract prices which were designed to prevent the continued rise in wheat prices

1. Ibid. pp. 151-6.

2. Tables WW.I, PB.I, L.V-VIII; Annual Statements of the Board of Trade, 1914-19.

3. CAB 23/2, War Cabinet Meeting, 15 March 1917, Appendix II, Prof. W.G. Adams, The Food Question.

4. CAB 23/2, War Cabinet Meeting, 19 March 1917, Minutes 19 and 20.

5. Turner, Lloyd George's Secretariat, p.55.



as a result of shortages, were accepted by the Board and War Cabinet in April as supplies were still diminishing.<sup>1</sup> In May he proposed compulsory rationing and wanted a scheme in operation by September to cope with the year following the 1917 harvest.<sup>2</sup> The Cabinet, however, made no decision, even in principle, except to conclude that parliament was not to be informed of the state of supplies and that compulsory rationing was an evil it was hoped to avoid.<sup>3</sup> The Committee on Compulsory Rationing reiterated this, although Milner recommended rationing be extended to sugar, and agreed with Devonport who wanted to ration individuals in place of the existing geographical regulation.<sup>4</sup> This rejection, combined with interference from Lloyd George's secretariat, precipitated Devonport's resignation, and he was replaced in June by Lord Rhondda.

By the 1917 harvest the major policy proposals and administrative machinery for securing a planned expansion of food output had been introduced. The Board had also negotiated for the means to carry out the necessary changes by easing the supply of the pre-requisites of arable husbandry. It was intended to secure improved yields from the existing arable in 1917, and gain large-scale reclamation of grasslands by 1918.

#### The Agricultural Work Force

An important part of the food production programmes was the need to provide more labour, the intensity of the labour shortage having received

1. CAB 23/2, War Cabinet Meeting, 5 April 1917, Minute 3.
2. CAB 23/2, War Cabinet Meeting, 7 May 1917, Minute 8.
3. Turner, Lloyd George's Secretariat, p.56.
4. Ibid. p.57.

Cabinet attention in January 1917.<sup>1</sup> The Agricultural industry was never exempted from recruitment, and conscription and opportunities for higher pay outside farm employment caused significant reductions in the number of male labourers. In early 1917 Prothero faced battles with Derby, the Secretary of State for War, but was able to ensure that the call-up of 30 000 men from agriculture would not be exceeded without new authority, and that men certified as indispensable by war Agricultural Committees would not be called. However, Derby made this conditional on the provision of an adequate substitute within seven days.<sup>2</sup> Lloyd George asked Derby to slow down the call-up of farmworkers because he was receiving 'representations' about food shortages and the submarine menace. At Prothero's prompting a conference of Prothero, Derby, Chamberlain, French, and Long was called by the War Cabinet, where Prothero extracted the concession that Home Defence Units would provide another 15 000 substitutes and the War Office would find a further 15 000 from its own surplus. Lloyd George believed that the War Office did not recognize that for agriculture, as for shipbuilding and munitions, a skilled man was worth more at home than in France. As transfers continued in late May, the War Cabinet appointed Milner to take charge of the agricultural programme and order the departments concerned to co-operate. This dispute ended when Milner ordered the War Office to carry out the War Cabinet's wishes, but struggles between Prothero and Derby continued throughout the War.<sup>3</sup>

1. CAB 23/1, War Cabinet Meeting, 12 Jan. 1917. Minute 4. The principal work on farm labour supply and conditions in the First World War is Dewey, P.E., 'Farm Labour in the Great War, 1914-18', (Unpublished University of Reading PhD, 1979).

2. Turner, Lloyd George's Secretariat, p.50.

3. CAB 23/1, War Cabinet Meeting, 23 Jan. 1917, Minute 6; Turner, Lloyd George's Secretariat, pp.51-2.

The government was aware of the fall in the number of male farm labourers, and stepped up the provision of replacement workers from 1-2% of the total in 1915 and 1916, to 6% in 1917, and 8% in 1918.<sup>1</sup> Farmers and their families formed almost all the labour supply on the small and family farms of under 100 acres, which were four-fifths of all British farms.<sup>2</sup> The large arable farms suffered most from the shortage. Compared with before the War, in 1917, there were 30% fewer regular male farm workers, 27% fewer casual male workers, 40% more regular female and 77% more casual female workers. The conventional labour supply consisting of farm families and labourers fell from 1.318m. man-units to 1.173m. in this period, while 86 000 were provided by the government in 1917, and in 1918, 114 000 were added to the conventional supply of 1.172m. man-units.<sup>3</sup>

Half the permanent labour was mobilized by the government, and the remainder came from village women and miscellaneous recruitment. Soldiers were made available for the 1915 harvest onwards, and 84 000 were employed in agriculture at the Armistice. When the age for conscription was raised from 45 to 51, men within this age group were permitted in May 1918 to elect to work in the War Agricultural Volunteers before they were called up, as were men who might be conscripted but were unfit for active service. Prisoners of war were used from February 1917, but until February 1918 agriculture employed only 16% of the total allocation of 25 000, until in the last few months of the War it took 60% of the 42 000 total. The Womens' Land Army contributed about 5% of the workforce, and half of it was engaged in milking. In addition to the regular female

1. Dewey, P.E., 'Government Provision of Farm Labour in England and Wales, 1914-18', AgHR, 1979, pp.100-111; Ernle, 'Food Campaign', pp.17-20.

2. Tables F.IIa-b.

3. Dewey, P.E., 'Agricultural Labour Supply in England and Wales during the First World War', ECHR, 1975, pp.101 and 104.

workers, there were double that number from village women, and some children were employed. Belgians and other aliens were generally reluctant to take up farm work.<sup>1</sup>

The officially supplied labour force grew rapidly during 1917 when pressure on food production was dramatically increased. Further expansion in 1918 partly compensated for the renewed conscription which occurred to meet the German spring offensive. By 1917 the government had enough labour under its control to spare some for agriculture, and by ending fears of invasion, the battle of Jutland allowed the employment of Home Defence Units on farms.<sup>2</sup>

The agricultural labour unions were unable to object to the addition to the labour force, later described by Prothero as "blackleg labour on a massive scale".<sup>3</sup> The unions were weak, and since much of this labour was under government control it was allowed to succeed in the name of the war effort. Farm wages did not rise when the total labour supply was lowest in 1916,<sup>4</sup> and subsequently were not depressed by being under-cut, and the gap between agricultural and national average wages was similar at the end of the War to that at the beginning. The officially supplied male labour took higher or comparable wages for equal and inferior work, as did the additional female labour, which largely did not compare with men's

1. Dewey, 'Government Provision of Farm Labour', pp.112, 114, 117-8.

2. Ibid. p.119.

3. Ernle, Lord, English Farming Past and Present, (Sixth edition, 1964), p.405.

4. It was comprised of 1.195m. man-units of conventional labour plus 0.030m man-units of additional labour, Dewey, 'Agricultural Labour Supply', 1975; pp.101 and 104.

work.<sup>1</sup> In total it provided a maximum 8% to the man-hours available from the conventional work force, but an addition of perhaps 8-14% by number.<sup>2</sup> This addition, of higher-paid less-skilled workers was unlikely to have depressed wages, and might have worked in the opposite direction since farmers preferred experienced agricultural labourers. Shortages of skilled labour and wage regulation, together with high farm incomes, exerted an upward trend on wages by the end of the War.

#### Government Provision of the Resources for Food Production

Whilst labour shortages were acknowledged as a significant check to increased output, the government was concerned also to ease the supply of other pre-requisites of arable farming. The army competed with agriculture in the demand for horses, and the Food Production Department became concerned lest there should be insufficient animals to plough up grassland. The Sale of Horses Order of June 1917, under Regulation 2T of DoRA, forbade sales without a licence from the County Committee, to be granted only for horses surplus to farm needs. The Department planned to provide 30 000 horses with ploughmen, harness, and implements for the County Committees to hire to farmers who were extending their arable land, but the numbers hired only rose from 1 200 in September to 5 000 in December 1917, and to 11 000 by June.<sup>3</sup> Success varied with the quality of administration, and the availability of skilled ploughmen, healthy horses, and suitable harness, and many pasture farmers were totally unfamiliar with ploughing and arable techniques.

1. Dewey describes the pay and standard of work undertaken by this labour, in 'Government Provision of Farm Labour', pp.112-9.

2. Agricultural Statistics; Dewey, 'Agricultural Labour Supply', pp. 101-4; Table F.Ia.

3. Sheail, 'Land Improvement', pp.112-3.

Steam tackle was the most efficient way of breaking up grassland, but half the 500 sets in England and Wales in 1917 were awaiting repair, while the drivers had been lost to the army and munitions work. Within two months of their establishment, the County Executive Committees had encouraged the repair of all but 40 obsolete sets, and recalled 300 men from the services, so that 12m. acres in England and Wales were ploughed by steam in 1917/18, three times that in peacetime. In addition, the Department provided 80 threshing machines in 1917.<sup>1</sup>

Demand for labour-saving machines grew as the number of labourers declined, and in 1916 orders for tractors exceeded supply. From 1917 the Food Production Department bought almost every available tractor. The County Committees hired these 477 "government tractors" to break grassland, and 135 more were borrowed from other farmers. There were 3 240 government tractors in spring 1918 and 3 925 in October, which cultivated perhaps 800 000 acres in 1917-18 and gave many farmers their first experience of this machine.<sup>2</sup> The Board of Agriculture, the Executive Committees, and the Agricultural Organization Society, all encouraged farmers to form trading societies for the joint purchase of equipment, but while some ventures were successful progress was slow, and the Department bought and hired thousands of implements to meet the food production crises of 1917-18.<sup>3</sup>

Widespread fears of the land becoming infertile led to the encouragement of farmers to use more artificial fertilizer. However, supplies were disrupted by shipping losses, demand on shipping space for

1. Ibid. p.114.

2. Ibid. pp.115-7.

3. Ibid. pp.117-8.

chemicals for armaments, and the enlistment of the chemical industry's key workers.<sup>1</sup> Superphosphate of lime fell to 30% of peacetime production and the Board tried to popularize the use of relatively plentiful supplies of ammonium sulphate. Expected shortages of grain seed did not occur, but shortages of coal and oil in July 1918 required a system of licences for priority deliveries. In May 1917 a scheme for supplying credit at 5% (which was below market rates), was operated through the Food Production Department to finance changes in land use, the purchase of fertilizer, seed, and manure, and was extended in August to any means of aiding food production. However, only 478 applications for credit were made by June 1918.<sup>2</sup>

Newly ploughed grassland often required underdraining, and although the Cultivation of Lands Orders allowed Committees to prescribe this, it required a further order for the Board to undertake drainage where land-owners lacked funds or refused to co-operate, the cost to be recovered later from the owner. Soldiers and PoW's were employed in draining and 80 000 acres of England and Wales were treated by June 1918.<sup>3</sup> This difficult work was so vital that the 1918 Land Drainage Act retained these powers for peacetime. Finally, vermin control was extended through Rabbits and Rookeries Orders in 1917, the Rats Order, 1918, pigeon shoots, and encouragement of rat and sparrow clubs with bounties on destruction.<sup>4</sup>

1. Table WW.I.

2. Sheail, 'Land Improvement', pp.118-9.

3. Ibid. pp.119-21.

4. Ibid. pp.121-2.

Farmers were dependent for production resources upon the organization of the agricultural departments. However, these often found that their interests clashed with those of other departments, and farmers did not usually gain [the first] priority in the allocation of many important items of production.

#### The Results of the Food Production Campaigns of 1917 and 1918

The Corn Production Act, the pricing policy, the administration of labour and other inputs, and intervention in farming practice, all created a significant change in productive patterns intended to, but not succeeding in, expanding the sales of domestic farm output. There were production campaigns for the 1917 and 1918 harvests, both of which extended the arable acreage and output, but the reduction in inputs and commercial feeds and the decreasing availability of skilled labour, resulted in a fall in the volume of off-farm sales.<sup>1</sup>

Partly under the influence of the breadstuffs policy, 251 826 acres were added to the arable land of Great Britain in 1917, almost entirely at the expense of permanent grass.<sup>2</sup> Increases in spring oats, potatoes, and barley accounted for most of this, for wheat required a drier climate and was less easily extended, but these crops, and peas, beans, and mangolds were more successful. Town and Urban District Councils used the powers of DoRA to take unused allotments in order to expand potato and pig production. Successes on newly ploughed lands outnumbered failures from pests, weeds, and exhaustion by 4 to 1.<sup>3</sup> All this was achieved before the Corn Production Act was passed. Once its guarantees were available, and more important, the machinery for the supply of materials was operating and agriculture gained first place in the allocation of labour, a more

1. Tables WW.I. and GP.I.

2. Table F.III.

3. Ernle, 'Food Campaign', pp.21-2.



impressive expansion was obtained in 1918.

The target for the 1918 harvest of an increase of 3m. acres over the 1916 arable acreage was not met, although an additional 1.245m. acres since 1917 were added from permanent grass.<sup>1</sup> The 1.796m. acre expansion since 1916 was achieved by the net increase of 1.7m. acres of wheat, 1.2m. acres of barley, 0.5m acres of oats, and 0.3m. acres of potatoes, whilst rotation grasses, bare fallow, and some other minor crops were reduced.<sup>2</sup> Although there were some extensive crop failures on new lands, yields dropped little compared with before the War, despite damage done by bad weather and an extended harvest due to labour shortages. Cereal and vegetable production was increased and livestock output was reduced. However, despite gains in cereal and arable husbandry, the total volume of all off-farm sales was not maintained beyond 1915.<sup>3</sup>

Although domestic and imported food supplies were sustained until 1915, thereafter they were significantly reduced by home production difficulties and overseas supply and transport problems. While cereal and potato output was significantly increased, this was not reflected in off-farm sales, because more produce was used as stock feed.<sup>4</sup> After the heavy slaughterings of 1917, there were some meat shortages but stock numbers were not markedly reduced again for farmers found it necessary to sell fewer stock and to build up their herds.<sup>5</sup>

1. Table F.III.

2. Tables C.II, P.II, and F.III.

3. Tables GP.I and WW.I.

4. Tables WWI and FVI. A similar pattern was observed on the continent where farmers kept back grain and roots for animal feed instead of selling it as human food, although it was formerly believed that in Great Britain the extensive powers available to the government had prevented this happening.

5. Table WW.I.

Because the available grass and purchased feed supplies were sharply reduced, farmers utilized grain and roots as cattle feed, and grain sales actually declined although output rose.<sup>1</sup>

Wartime agriculture clearly experienced difficulty in maintaining output, and it was not the food production or import part of government policy that contributed most towards a solution of wartime food supply problems. Real UK off-farm sales, indexed as 100 in 1911-13, rose to 102 in 1914. They were back to 100 in 1915, but then fell to 98 in 1916, 93 in 1917, and 93 in 1918.<sup>2</sup> Imported UK food supplies rose to 1915 and declined in the following years. In 1916/17 grain was available in foreign markets if it could be transported, while the military had first claim on imported meat. In 1917/18 the fall in domestic output was again paralleled by a fall in imports as French and Italian grain supplies were reduced, and U S imports, made available by America reducing her own supplies, were hit by submarine warfare until the convoy system reduced shipping losses. This allowed the safe arrival of Argentine grain in early 1918,<sup>3</sup> but meat imports declined until they rose sharply in 1918. Total UK food imports rose from 100 in 1911-13 to 105 in 1915 and then declined to 91 in 1916, 81 in 1917, and rose partly as a result of the convoy system to 82 in 1918<sup>4</sup>. Altogether total real UK food production and imports rose from 100 in 1911-13 to 103 in 1915, before dropping to 94 in 1916, 86 in 1917, and 85 in 1918. However, the utilization of food supplies was greatly increased.

There was no substantial food shortage (measured in terms of calories) during the First World War, despite a reduction in raw food

1. Tables WW.I, F.III, and F.VI.

2. Tables GP.I, F.IV, F.VI See also Dewey's figures, 'Agricultural Labour Supply,' p.105, and Table WW.I.

3. Ernle, 'Food Campaign', p.41.

4. Table GRI. This index was calculated with reference to the agricultural price index for England and Wales from Agricultural Statistics. There is no existing imported food price index in this period. See also Table WW.I.

supplies and a rise in the population of the UK<sup>1</sup>. The credit for the solution of the large potential food shortage problem was not due to the food production campaigns or the convoy system (which was introduced too late in the war to provide effective support), but to the policy of food control.<sup>2</sup> This was achieved through rationing, which was intended to ensure the more efficient and equitable distribution of food supplies, and more importantly, through a policy of food economy which allowed more people to be fed from the food resources provided. The latter measures contributed most to solving the problem largely by raising the extraction rate (the proportion of grain in flour), from 70% before the War to 81-92%, and by mixing barley, maize, bean, and potato flours into bread flour.<sup>3</sup> As a result bread remained the only major food that was not rationed in the First World War.

Although the food supply was never as large as had been hoped, advances were made by Prothero at the Board of Agriculture, Milner in its Food Production Department, and Rhondda at the Ministry of Food, such that there was less reason to believe that administrative breakdown in the departments was causing shortages, rather than production difficulties of a less soluble nature. However, as supplies of tea, fats, and meat diminished in late 1917, local rationing schemes grew up and were sanctioned by the government, whilst it was still considering the nature and extent of an overall scheme. In April 1918 it expanded the successful

1. See Dewey, P.E., 'Food Production and Policy in the United Kingdom, 1914-1918'.

2. Ibid. p.86.

3. Ibid. pp.87-8. Dewey believes that of a total supply of 53.5 billion calories in 1917, and 56.6 billion in 1918, 3.7 and 7.5 billion respectively were provided through food controls. Dewey also argues that cereals which had formerly fed animals were diverted to human consumption, and consequently the output of meat and milk were reduced. I have argued that farmers diverted grain to animals to replace supplies of purchased feed and the grassland that had been ploughed up. Although farmers attempted to maintain meat sales, they were also concerned to restore their herds and flocks after the heavy slaughterings of 1917.

London and Home Counties Rationing Scheme (established in February) as the basis of national meat rationing, and extended it in July to cover all meat, bacon, sugar, jam, butter, margarine, and lard. Bread, milk, tea, condensed milk, cheese, potatoes, fruit, vegetables, and fish were never officially rationed, although the distribution of tea, cheese, condensed milk, and sugar were closely controlled,<sup>1</sup> and the expected prolonged shortages of meat and milk did not occur.<sup>2</sup>

### Farmers and Food Production in the First World War

Farmers faced three uncertainties during the 1917 and 1918 production campaigns which government intervention and increased farm incomes were able to overcome.<sup>3</sup> Farmers feared that the Food Controller would fix agricultural prices in favour of consumers, and were afraid that a rapid price fall at the end of the War might catch them with a large arable area. They protested also about the loss of labour conscripted to the military. The farmers' only security was that the Corn Production Act would guarantee safety from loss on wheat and oats, (but it would not ensure profits). However, labour and other production requirements were controlled by government departments for the army or industry, and the Board was never able to give farmers those absolute guarantees of supply that they demanded in order to expand output. Munitions claimed priority on shipping space over food and raw materials.

The great difficulty of the campaign was the adjustment of prices.<sup>4</sup> Every article of food was regulated by the Food Controller, subject only to consultation with the President of the Board of

1. Hammond, Food, pp.433-4, 443. See also pp.427-443 and Marrack, J.R., Food and Planning, (1943), p.69.

2. There were, however, some outbreaks of popular protest at prices charged by farmers in certain local markets, even if there were few shortages, see Coles, A.J., 'The Moral Economy of the Crown: Some Twentieth Century Food Riots', Journal of British Studies, 1978, pp.157-176.

3. Ernle, 'Food Campaign', pp.11-13.

4. Ibid. p.13.

Agriculture, yet no one had any previous experience of the difficulties of price fixing. The outstanding question was how far prices might be raised to stimulate production without injuring consumers. Farmers found it annoying and unintelligible that farm product prices were restricted, while all inputs became more expensive. This was made worse since the price of domestic wheat was sometimes only 60% that of imported bread stuffs. Every quarter grown at home reduced expenditure abroad, yet the price of home corn in relation to other produce, especially milk and meat, was discouraging to the plough policy. Consumers would not have tolerated price regulation by producers, yet Rhondda was anxious to fix prices that yielded reasonable profits to farmers without burdening the greater number of consumers. His difficulty was the apathy of public opinion. The importance and condition of agriculture was not something familiar, and the public and farmers had to be convinced of the gravity of the situation. In 1917 more meat was consumed than ever before, and the continued unprecedented demand after the heavy slaughterings of 1917, meant that despite discouragement farmers attempted to maintain their herds and flocks, even at the expense of current meat production.<sup>1</sup> Yet barley and other cereals were needed for human food and supplies of imported and domestic animal feeds were heavily reduced. The rationing system in 1918 did at last convince the public and farmers of the true state of affairs,<sup>2</sup> and the signing of the Armistice relieved the situation in the end, but in the meantime pricing policy had to be measured against production and sales, and the effect on farm and industrial earnings. Agricultural prices rose above the general price level, and cash and real farm incomes rose faster

1. Table WW.I.

2. Ernle, 'Food Campaign', pp.11-16.

than average earnings until the end of the war.<sup>1</sup> There were some complaints of food shortages and a number of incidents over the level of prices.<sup>2</sup> It would appear that in determining the conflict between high prices to encourage output, and prices related to consumer purchasing power, rising real wages allowed the agriculture and food departments to come down on the side of the farmers, although this approach was not successful in raising the level of off-farm sales.

#### The End of the Food Production Programme

Although a food production campaign was prepared for 1919, it was never submitted. The German spring offensive required increased military manpower to resist it and agriculture ceased to be a protected industry. Yet, there were signs that the German war effort was exhausted. Food imports also became more secure as the convoy system reduced shipping losses and the rate of shipbuilding was increased. The government considered that a programme of increased tillage would have faced considerable opposition, would not have raised supplies until late 1919, and was not justified by either the military position, transport difficulties, or food import prospects. The Armistice settled the uncertainty of the position, allowing increased imports to end the need for further planned production.<sup>3</sup>

The food production campaigns ended in the autumn of 1918, following the Corn Production (Amendment) Act of August. This awarded landowners and occupiers rights to appeal when Committees issued land reclamation orders, terminated tenancies, or requisitioned land or equipment, and most committees thus became less zealous in making and enforcing orders.

1. Table F.V, Graph F.II .

2. Coles, 'Moral Economy of the Crowd', pp.157-76.

3. Ernle, 'Food Campaign', pp.42-6; Table WW.I.

After the Armistice the Committees were ordered to dispose of their horses, machinery and equipment at public auction. In the spring of 1919 the Food Production Department and the Executive Committees were dissolved, and the Board of Agriculture was reorganized as the Ministry of Agriculture. New County Committees were established for a peacetime role, and retained powers to enforce good husbandry and prevent arable land from becoming derelict.<sup>1</sup>

The Effect of the First World War on Government Attitudes towards  
Agriculture

The Food production campaign of 1917 formed a turning point in the relationship between the government and the farming community. For the first time, the government was forced to induce and to control production, to involve itself closely in the provision of supplies and the techniques of farming, and to consult with farmers in all these matters. Because by 1916 farmers were unable to maintain output without risking money in large-scale land improvement and reclamation, under threat of famine the government invoked powers for compulsory production, the extension of cultivation, and food control. Farmers were encouraged or compelled to produce more human and arable food by the guarantee of favourable prices during the length of a normal crop rotation, and through the provision of guidance and material assistance from the County Committees. Farmers, as represented by the National Farmers' Union, worked closely with the government at nearly all levels of policy decision and implementation, and gained from landlords the first place as government advisors and as the voice of agriculture. The connections between agriculture and the government established through the NFU and County Committees were maintained in the inter-war years. The labourers' weak bargaining position was officially recognized, and they received material support through wages regulation. Measures for credit schemes, land drainage, pest control, smallholdings, and forestry were also continued or introduced at the end

1. Sheail, 'Land Improvement', pp.124-5.

of the War.

Once the government had ordered a policy for agriculture during the War, and especially since the new direction imposed was the reverse of that governed by the economic trends of the previous half-century, it had to take some responsibility for agricultur<sup>er</sup>'s welfare upon the return of peacetime conditions. The government accepted this responsibility when it provided the guarantees of the Corn Production Act for six years. More important, the extent and direction of wartime policy, and the growing awareness of agriculture's position, called for a post-War agricultural policy; a change in approach which was recognized as being overdue. Thus, once the government began to direct production, the Selborne Sub-Committee of the Reconstruction Committee was appointed, and in 1919 a Royal Commission was established to enquire into agriculture's peacetime prospects.<sup>1</sup> Agriculture was not unique in this respect, for the government bore certain responsibilities towards other industries expanded or altered during the War, but agriculture was also to be expanded and changed in the post-War world. This approach was confirmed by the 1920 Agriculture Act, until it was realized that the sharp price fall of 1921 would make the cost of support very high and the legislation was repealed. Even then the aims and responsibilities remained, although only the former were acknowledged.

The First World War marked the beginnings of a permanent change in the relationship between government and agriculture as a result of the efforts made by farmers in opposition to long term economic trends in an attempt to maintain wartime food production. Without the production campaigns the wartime arable acreage would probably have remained fairly stable, or even risen slightly in response to rising prices, but not to the extent that it did. Food shortages could have occurred and more labour

1. The Royal Commission on the Economic Aspects of the Agricultural Industry in Great Britain.



would have been lost permanently to farming. Consequently, the government's intention to give agriculture an enhanced role in the post-War economy would have had little justification and would not have been accepted. The wartime efforts of government and farmers changed the situation, arousing popular interest, and the neglected value of the industry was recognized for the first time. However, as a result of the price fall of 1921 the Agriculture Act was repealed, and there was a general desire in the economy of the 1920s to return to pre-War conditions of 'business as usual'.

It was not until the depression of 1929-33 that the government became actively and continually involved with a policy of direct agricultural support. This might be regarded as part of a general long-term retreat from laissez-faire attitudes in respect of agriculture which characterized many of the more advanced economies from the late nineteenth-century, and was a response to the natural contraction exhibited by agricultural sectors of mature economies. In Britain it was the First World War which first brought the introduction of a positive agricultural policy, which was most fully developed later as a result of the Slump.

Table WW.I

The Volume of Production and Off-Farm Sales in England and Wales, and UK Imports of Certain Cereal and Livestock Produce, and Purchases of Feed, 1911-13 to 1920.<sup>1</sup>

Year.	A R A B L E P R O D U C E										L I V E S T O C K					FEED <sup>2</sup> VOLUME OF PURCHASED FEED PER TON OF DRESSED CARCASS (1911-13=100)		
	W H E A T		B A R L E Y		O A T S		C A T T L E A N D C O W S		S H E E P		P I G S		IMPORTS OF DEAD MEAT.					
	TOTAL PROD -UCTION.	OFF-FARM SALES.	IMPORTED WHEAT AND FLOUR.	TOTAL PROD -UCTION.	OFF-FARM SALES.	IMPORTED BARLEY.	TOTAL PROD -UCTION.	OFF-FARM SALES.	IMPORTED CATS.	TOTAL PROD -UCTION.	NUMBER OF STOCK.	FAT ANIMALS ENTERING MARKETS.		NUMBER OF STOCK.	FAT ANIMALS ENTERING MARKETS.		NUMBER OF STOCK.	FAT ANIMALS ENTERING MARKETS.
1911-13	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	No.	No.	No.	000 cwt.	No.	No.	000 cwt.	
1914	30 100	11 453	119 428	22 100	10 298	19 536	25 620	1 900	16 872	53 220	5824 304	748 631	18 171 634	3 100 959	2 416 604	571 360	21 579	100 0
1915	32 630	12 977	117 899	23 680	12 762	16 044	26 800	3 119	14 157	59 060	5 877 944	731 866	17 259 694	2 821 103	2 481 481	597 718	23 082	92.3
1916	37 600	13 822	103 226	17 320	9 571	12 292	29 060	3 165	15 640	57 160	6 064 154	752 379	17 532 577	2 740 297	2 420 077	641 588	24 672	92.8
1917	29 960	15 430	113 904	19 720	8 183	15 819	29 040	3 024	12 503	50 100	6 215 781	776 011	17 951 123	2 737 482	2 167 941	562 339	22 697	79.6
1918	31 340	10 226	111 351	21 020	9 064	9 133	29 420	2 255	12 622	66 820	6 227 148	784 130	17 169 857	2 739 377	1 918 541	434 949	19 252	69.5
1919	46 720	10 647	94 558	23 360	7 015	5 025	40 200	1 201	10 923	84 180	6 200 485	486 402	16 475 175	1 980 363	1 697 066	155 938	24 711	60.1
1920	35 260	13 352	96 042	21 040	8 336	16 644	31 320	1 597	6 711	54 660	6 194 539	626 079	15 124 313	1 708 342	1 798 468	150 414	25 291	80.7
1920	29 160	11 126	126 029	24 100	10 879	12 668	29 420	1 726	6 082	63 020	5 546 865	516 979	13 382 673	1 261 953	1 993 924	251 769	24 024	93.7

\* In equivalent weight of grain.

† 1913 Only.

1. Agricultural Statistics.

2. See Table FVI.

GOVERNMENT POLICY TOWARDS BRITISH AGRICULTURE, 1917-39

Government intervention in agriculture during the inter-war years occurred in four major phases. As a result of the experiences and changes of the First World War there emerged a policy of agricultural expansion which was actively supported by price guarantees and lasted until 1921. During the 1920s there was a general reduction in the level of government involvement in the economy following a desire to return to 'normal peacetime conditions', although some important measures of agricultural assistance were enacted. As a result of the intense depression of 1929-33 and calls of distress from farmers, the government introduced a system of agricultural subsidies and protection. Finally the government concluded that low farm receipts and incomes were not just a temporary problem, and it began to develop a more effective long-term strategy within the framework of the measures it had already introduced, based on subsidies, protection, and domestic reorganization.

An Agricultural Policy for Peacetime, 1917-21

Once the government had begun to direct the wartime economy towards specific aims contingent upon the duration of the emergency, it was left with an inherent responsibility for the economy in peacetime. It acknowledged this with the appointment of the Reconstruction Committee to investigate the possible nature of the post-War economy. As agriculture became involved in the wartime production programmes it too required consideration, and the Selborne Sub-Committee of the Reconstruction Committee was established. Its report in January 1918 called for the adoption of a positive agricultural policy after the War.<sup>1</sup> This was the first time that an official report had suggested that the government should determine an agricultural policy. It believed that elementary considerations of national security demanded that the country become self-supporting in food, which would be best achieved through an arable based agriculture, and

1. Report of the Agricultural Policy Sub-Committee of the Reconstruction Committee, Cmd. 9079, 1918.

that it was an urgent problem of national welfare to increase the rural population and to offer material advancement to labourers. It believed that in any future crisis the country should be wholly independent of overseas supplies of corn, potatoes, and dairy produce, and less dependent on overseas supplies of meat.

It was proposed that expansion might be induced by the existing system of price guarantees such that arable production might be reasonably profitable, and adopted independently of whether other types of production were remunerative.<sup>1</sup> The Sub-Committee was strongly in favour of basing British farming on arable production. Considered in terms of energy, ploughed land supported four times <sup>as much</sup> population as grass, although in terms of protein and fat grassland appeared more favourable. Grain, vegetables, fodder crops, and grass leys in a four-or five-course rotation produced cash crops such as wheat and potatoes, and supported milk and meat production from stock, which provided manure and were kept to consume fodder roots, grass, and straw. Good grassland could be intensively grazed and would provide a high output of livestock produce until it became infested with weeds or parasites, which seriously reduced its output and the health of its animals. Only a few sites such as coastal marshes and the midland fattening pastures could avoid this for any length of time. Good arable farming employed two to three times as many men to permanent grass, and the Sub-Committee deplored the drift from the land as injurious to the national health and character. Wartime experience had showed that arable farmers could expand grain production more easily in an emergency than grass farmers, who no longer had either the suitable horse-power, equipment, or knowledge to grow corn. Also livestock, especially dairy cows, were consumers of imported grain and cake, and competed with humans for bulk food space in ships, while carcasses provided more protein and fat from less shipping space. Thus the extension of arable farming was judged desirable as a post-War policy. However, since

1. Ibid. p.89.

this required higher costs and investment, and involved greater risks of variable incomes than most forms of grassland farming, it was considered that some inducement or guarantee of profits was required.<sup>1</sup>

As a long-term policy, the Sub-Committee recommended extending indefinitely the guarantees on cereal prices at a level to cover the cost of ordinary arable farming, and concluded that the Wages Board should remain in operation. Both the guarantees and the Wages Board had been enacted by the Corn Production Act, 1917 which had followed the recommendations of Pt.I of this ~~report~~<sup>committees</sup>, the Interim Report of 1917.<sup>2</sup> If guaranteed prices and regulated wages were to be continued, then the nation would require minimum levels of efficiency in the management of its land, and hence it was recommended that some of the powers under DoRA be retained to control land use. Rents were to be decontrolled because landlords would be required to invest considerable sums in new buildings and equipment. The general efficiency of agriculture should be improved by an active partnership between the state, farmers, and landowners, through more provision for research, education, and advice, reform of the Agricultural Holdings Acts, state investment in smallholdings, land reclamation, market gardening, farm credit, rural transport, village reconstruction, and tithe redemption. To further these proposals, the status of the Board of Agriculture was to be raised, supported by better organization in Whitehall and Edinburgh, and by the Advisory Councils and County Agricultural Committees.<sup>3</sup> These latter proposals were enacted in the Ministry of Agriculture and Fisheries Act, 1919, although part of this Act resulted from a private amendment.

1. Ibid. pp.88-92; Whetham, E.H., 'The Agriculture Act and its Repeal', AgHR, 1974, pp.42-5.

2. Interim Report of the Agricultural Policy Sub-Committee, Cmd.8506, 1917, See Chapter I.

3. Final Report, Cmd. 9079, pp.89-97; Whetham, 'Great Betrayal', pp.38-9, and.48-9.

Once the War was over the suggestions had to be evaluated in the light of the immediate situation. Prices had risen so that the buying prices of the Ministry of Food were far higher than the guaranteed prices, and farmers were afraid that they would face regulated wages but have no significant price guarantees once the wartime Ministry was dissolved. Retail prices and costs had also risen. Consequently, in order to appease farmers and to re-evaluate the Selborne Sub-Committee's Report, the government appointed a Royal Commission "to enquire into the economic prospects of the agricultural industry."<sup>1</sup>

Whilst this report was being prepared, Lloyd George announced the Coalition Government's agricultural policy, and committed it to a general expansion of farming, particularly of the arable sector.<sup>2</sup> He stated that agriculture was the greatest industry in the land and that it should be the primary concern of every government to promote it. He believed that England came near to catastrophe in the War because of her neglect of the land, while the experience of Denmark showed what could be done by a real partnership between the state and agriculture. He was concerned that, owing to the adverse balance of trade, exchange rates were against Britain, and that this could only be remedied by greater production, especially from agriculture, in order to increase exports and to diminish imports. Consequently, there should be a settled agricultural policy to restore cultivation and employment on the land. He believed that cheap imported grain would no longer be available, and yet he also stated that price guarantees were necessary to protect farmers against violent fluctuations in foreign agriculture and imported food prices, in order that farmers might secure the maximum output. The amount and duration of these guarantees were being considered by the Royal Commission. This statement expressed the basic aims of agricultural policy

1. Royal Commission on Agriculture, Cmd. 473, 1919.

2. 'State Help for Agriculture', The Times, 22 Oct. 1919, pp. 12 & 17  
Lloyd George was throughout his career an exponent of a 'back to the land' policy as part of an interlocking system of social reforms.

that persisted in the 1920s, although after 1921 the government's adherence to them was largely expressed in terms of specific, laissez-faire orientated measures, rather than an overall strategy of committed support.

In December 1919 the Royal Commission presented three reports, from a majority of twelve, a minority of eleven, and a minority of one. The Majority Report believed that cereal prices would remain high while there was a shortage, but thereafter might fall below domestic production costs as normal shipping conditions returned and as increased supplies of cheap overseas produce arrived in the British market. Thus to encourage production the government should provide suitable cereal price guarantees for at least the period of a normal crop rotation, including guarantees for barley, and provide for four years' warning of their withdrawal. In view of the uncertainty over future costs the prices should be linked to changes in the "ascertained cost of production", and be higher than under the 1917 Act's schedule for 1918 and 1919.<sup>1</sup> The Minority Report from Mr. Cautley regarded the Wages Board as essential and felt it to be politically linked to guaranteed prices, and consequently supported the price scales for at least the next four years.<sup>2</sup>

The Minority Report from the eleven members did not believe that a fall in cereal prices such that production would become unremunerative would occur for some years to come. They argued that guaranteed prices would not raise production at the present level of output and costs, and pointed out that the higher prices paid by the Ministry of Food in 1919 had failed to prevent a decline in the arable acreage, for farmers had restored their former levels of grassland. It was considered that cereals were unremunerative or in danger of becoming so only on marginal land, and that

1. Royal Commission on Agriculture, p.7.

2. Ibid. pp.3-7.

farmers more experienced in livestock production wished to increase their herds and flocks.<sup>1</sup> This report concluded with a caution that it would be damaging to the best interests of agriculture if it were to operate on the uncertain basis of the continuance of parliamentary guarantees.<sup>2</sup>

The government, however, had already decided its course of action, and acted upon the recommendations of the Majority Report. The Agriculture Act, 1920 was passed, intended, as stated by Lloyd George, to prevent the reduction of the arable acreage and the decline in the rural population, so that the country might be less dependent upon overseas supplies of food, and in order that the trade balance might be improved by a reduction of the food import bill. Sir Arthur Boscawen, the Parliamentary Secretary to the Minister of Agriculture, stated that "The keynote...is security...security to the farmer who grows corn in the national interest by means of guaranteed prices, security to the agricultural labourer who has not been too well paid in the past that by means of the Agricultural Wages Board he shall have a minimum living wage, and security to the State...to see that the land is so cultivated that the maximum amount of food may be produced for the people."<sup>3</sup>

The Agriculture Act instituted minimum prices for wheat and oats (with annual adjustments relating to the cost of production) until four years' notice of their termination might be given by an Order in Council. These were intended only to guarantee farmers against serious losses

1. In fact, this assessment was the more accurate for even after the sharp price fall of 1921/2 many farmers still found it profitable to grow cereals, and it was only from 1929 that there were serious doubts concerning the future of domestic cereal production.

2. Royal Commission on Agriculture, pp:9-13.

3. Hansard, Vol. 130, 7 June 1920, Cols. 82-3.



if prices fell drastically, and the proposed minimum was somewhat below the average cost of production. The Ministry of Food was due to relinquish control of cereals in the summer of 1921, and the government, anxious to have the Bill passed before the spring sowing, saw it enacted in December 1920.

The subsequent spectacular reversal of this legislation, which has been termed the 'Great Betrayal' of 1921, is well known.<sup>1</sup> Cereal prices had risen in 1919 and 1920 due to a shortage of grain crops in the northern hemisphere, while abundant harvests in the southern hemisphere could not be shipped in the immediate post-War years. Prices continued upwards in early 1921 as supplies were used up, but in the spring rumours of gigantic harvests in North America were combined with the imminent arrival of supplies from the southern hemisphere. Thus in May and June the Cabinet considered estimates of the sums required to underwrite the guarantees. The Wheat Commission forecast that deficiency payments might amount to £12m. on wheat and £17m. for oats. The Cabinet "felt that it would be out of the question to continue to pay the heavy subsidies involved in the Act without an adequate return in the form of an increase in corn production", since it learnt from the agricultural ministers that the corn acreage in 1921 was likely to be little changed from that of 1920, which was a little lower than that in 1919.<sup>2</sup> The Cabinet wanted expansion, but was not prepared to pay the additional cost of support, and subsequently used the slight reduction in the arable acreage since 1919 as an excuse to withdraw the guarantees.<sup>3</sup>

1. See Whetham, 'Great Betrayal'.

2. CAB 23/25, Cabinet Meeting, 11 May 1921, Conc.3; CAB 23/26, Cabinet Meeting, 1 June 1921; CAB 24/213, CP-2995, Cabinet Committee in Regard to the Agriculture Act; CAB 23/25, Cabinet Meetings, 2 June 1921, Conc. 1(a),(b), and 22 June 1921; Whetham, 'Great Betrayal', p.45.

3. This occurred despite the Cabinet having realized at the time of the introduction of the Agriculture Act, 1920 that such a move would be regarded as a serious breach of faith with the farming community. CAB 23/23, Cabinet Meeting, 16 Dec. 1920, Conc.2; CAB 24/106, CP-1313, Agriculture Bill: Conclusions of Conference of Ministers, 19 May 1920.

The Corn Production Acts (Repeal) Act was introduced in July 1921, and abolished the guarantees immediately without giving the required four years' notice. As compensation, for the current harvest only, deficiency payments of £3 an acre for wheat and £4 an acre for oats were made available, costing a total of £19.7m.. Sir Arthur Boscawen, now Minister of Agriculture, stated that the government was impelled into this action by absolute necessity because the fall in cereal prices had been heavier and more sudden than expected, while the financial situation was infinitely worse than six months ago and the need for retrenchment in government subsidies more urgent. He also suggested that the 1920 Act was passed as a continuation of insurance against wartime risks, and argued that because the Lords had virtually removed the powers enforcing Cultivation Orders, parliament was justified in withdrawing from the bargain now that the cost was too high for the nation to bear.<sup>1</sup> As a palliative to the NFU, the Agricultural Wages Board and the remaining cultivation controls were abolished, as it was claimed that these were politically and materially linked to the price guarantees. The Board was to be replaced by local Conciliation Committees after the 1921 harvest. These Committees might agree wage rates, which would become statutorily binding only if ratified by an Order in Council. Because national unemployment rose to nearly 2m. in 1921, it became apparent that these bodies would intensify the downward pressure on farm wages. Thus not only did farmers regard themselves as betrayed, but the labourers and their allies in parliament were appalled by the changes. The government tried unsuccessfully to claim that agriculture was to be "decontrolled" and released from its "shackles" to follow the best economic advantage, and as a final concession a grant of £1m. was made for agricultural education and advice.<sup>2</sup>

1. Hansard, Vol. 144, 4 July 1921, Cols. 64-7.

2. Ibid. Col.75.

It may be that the importance of the repeal has been overrated. The scale of minimum prices set for 1920, of 76s. per quarter for wheat, was less by 20s. per quarter than in 1918, given the ascertained cost of production, and farmers were not granted the security of an assured market.<sup>1</sup> Farmers opposed the Act's controls, and the NFU was not vigorously against the repeal so long as the controls were removed. The severity of the subsequent fall in wages was enhanced by the burdens that the new owner-occupiers found themselves under as well as the depressed economic conditions.

In late 1921 all that remained of the attempt to formulate a positive post-War agricultural policy were the elevation of the old Board into the Ministry of Agriculture and Fisheries, the formation of new County Agricultural Committees (responsible for promoting technical education and advisory work but without powers to make cultivation orders), and the provision of Central Advisory Councils for England, Wales, and Scotland (which were rarely consulted). The Conciliation Committees were introduced and there was also an increase in compensation for tenants forced to quit. Farmers resented the withdrawal of all but token assistance when the four years' notice would have enabled them to recoup the cost of converting their wartime farms to more suitable systems. Wartime profits and reduced labour charges did help farmers to face the fall in cash receipts, except where this was offset by the burdens on farmers who had become owner-occupiers since 1918.<sup>2</sup>

The price fall and economic slump of 1921/2 frustrated plans for economic reconstruction and an expansionist agricultural policy as underwritten by the government. It also precipitated the abandonment of the remaining wartime controls, and occasioned a more long-term unwillingness on the part of the government to respond in any but a muted way to the post-War agricultural and economic changes. Like government attitudes

1. Cooper, A.F. 'The Transformation of Agricultural Policy, 1912-36', p.59.

2. See chapters X and XI.

towards the rest of the economy, the mood was one of an attempt to return to 'business as usual'.

The reversal of policy required a reassessment of the government's position, but although farmers' incomes continued to fall none was undertaken. Neither subsidies nor import protection were regarded as politically feasible by the Coalition Government until the situation was seen as so serious that a subsidy of £1 on each arable acre was proposed, on condition that farmers did not reduce their arable acreage, their work-force, or rates of wages. The government fell before any decisions could be taken, but not before Lloyd George at his final Cabinet meeting had desperately demanded a £500m. scheme for the rehabilitation of agriculture to be prepared for the following Friday!

#### Re-assessing the Agricultural Situation, 1922-24

When Bonar Law's government took office in October 1922 one of the Cabinet's earliest tasks was to consider suggestions for the relief of agriculture. However, the Report of the Cabinet Committee on the Agricultural Situation stated that in the present circumstances there was nothing that the government could do to bridge the gap between the cost of producing corn and potatoes and their market price, and that farmers must adapt their land in a manner which would avoid loss.<sup>1</sup> It was noted that "Agriculturalists must, therefore, make up their minds to face their difficulties without Government interference and without expecting the Government to subsidize them."<sup>2</sup> Calls for rating relief and better loan facilities were to be investigated, although it was recognized that none of these would be regarded by the agricultural community as adequate for their present needs. Bonar Law flatly told a deputation of farmers and workers that agriculture must live on an economic basis, and could not be supported by state subsidies or protection.

1. CAB 27/175, CP-4283, Report of the Cabinet Committee on the Agricultural Situation, 13 Oct. 1922.

2. Ibid. p.7.

Some action was called for, however, and in December 1922 Bonar Law set up an Agricultural Tribunal of Investigation to report on the agricultural situation. In addition, Sir Robert Sandars, the Minister of Agriculture, appointed a departmental committee to investigate food distribution and marketing.<sup>1</sup> The brief of the former investigation showed that although agriculture was to be left to adapt itself to the new economic climate expansionist ideals still remained. The Agricultural Tribunal was appointed "To enquire into methods...to increase the prosperity of agriculture and to secure the fullest possible use of the land for the production of food and employment of labour at a living wage."

The first Interim Report in March 1923 stated that agriculture was in a serious crisis, having faced two years of heavy losses, and with a declining arable acreage, growing unemployment, and wages which had fallen to subsistence levels. The depression was most serious in arable areas where more intensive cultivation and a higher wages bill brought greater losses as the prices of wheat, barley, potatoes, fruit, and vegetables fell especially steeply. Drought in 1921 further exacerbated these problems. Farmers had survived only by reducing their outlay and inputs of feed, fertilizer, seeds, labour, and machinery.<sup>2</sup> Whilst the Report adhered to the belief that "agriculture is still the greatest national industry", and that a complete policy should aim comprehensively for "better farming, better business, better living", no large-scale measures of assistance were envisaged.<sup>3</sup> Instead, proposals were offered merely for "a cautious use of the power of the State to obtain for the operations of British agriculture

1. Both these bodies issued interim reports in 1923 before a final report in 1924. Agricultural Tribunal of Investigation, Interim Reports, Cmds. 1842 and 2002, 1923, Final Report, Cmd. 2145, 1924. Report of the Departmental Committee on the Distribution and Prices of Agricultural Produce: Milk and Milk Products, Cmd. 1854, 1923; Fruit and Vegetables, Cmd.1892, 1923; Meat Poultry and Eggs, Cmd. 1927, 1923; Cereals, Flour, and Bread, Cmd.1971, 1924; Final Report, Cmd.2008,1924.

2. Agricultural Tribunal, Interim Report, Cmd.1842, 1923, pp.1-2. See also Table F.VI.

3. Interim Report, Cmd.1842, p.11.

a somewhat greater measure of security than it has enjoyed in the last half-century".<sup>1</sup>

It was decided that no financial assistance would be given to wheat production, because it was the arable area that was to be maintained and not just one crop, and because there were methods of arable-stock farming which might give greater employment without reducing tillage. Consequently, recommendations for general improvements were made to farmers and the government, particularly for commodities produced by arable-stock systems. It was suggested that agricultural rates again be halved, as had first been done in agricultural depression in 1896. General agreement was expressed with proposals for the provision of long-term credit, but it was pointed out that a more elastic system was needed for short-term loans. It was also proposed that if the Railway Rates Tribunal did not reduce rates on farm produce and supplies, as was urgently required, then the government should underwrite a reduction of at least 25%.<sup>2</sup>

The specific recommendations for support to arable systems contained suggestions that flour exporters should send 25% of offals to 75% of flour, and that an export duty of 10% be imposed on cereal offals in order to reduce domestic feed prices. 10% duty on imported malting barley was called for (to protect the light lands which produced the finest malting barley and were most likely to go out of production), together with a 20s. per cwt. duty on imported hops and the abolition of hop control. Both duties would include a one-third preference for the Empire. As a result of the recent dumping of Dutch potatoes, foreign imports were to be permitted only under licence from the President of the Board of Trade, during specified months, and according to the extent of domestic supplies. All imports should be marked with their country of origin, and sugar should continue to be exempted from the Excise Duty in order to support the nascent beet sugar industry. It was

1. Ibid. pp.11-12.

2. Ibid. pp.5-6.

pointed out that more co-operative societies were required to organize liquid milk supplies, especially with respect to the manufacture of the excess, and that the state should encourage this by prohibiting imported milk products that did not meet domestic hygiene standards in production and transport.<sup>1</sup> It was recommended also that since co-operation and education were more advanced overseas than in Britain, especially for produce marketed in the UK, then farmers should take up the opportunities offered by state grants to the Agricultural Organization Society.<sup>2</sup>

Farmers were not to be the sole beneficiaries of the Report, for it also suggested the formation of six district wages boards for England and Wales. These would stimulate combination amongst labourers, prevent demoralization in depression, and ensure that wage rates were not dictated by the least efficient farmers, for with a highly immobile work-force low wages were often coincident with bad farming. Finally, as a measure for rural unemployment relief and to improve the fertility of the land, it was suggested that the Scottish field drainage schemes used in 1921 and 1922 be extended to England and Wales.<sup>3</sup>

The Cabinet's initial consideration of the Report led to a parliamentary announcement in April that local authority rates on farm land in England and Wales were to be halved, that hops would not gain a duty until more was known about future beer consumption, and that hop control would last until 1925.<sup>4</sup> In addition beet sugar would continue to be exempt from the excise, a private bill was ready to provide for the marking of imported produce, the Railway Rates Tribunal would decide the rates question, and further announcements would be made on other points.

1. This was in effect invisible protection. See also chapter V.

2. Agricultural Tribunal, Interim Report, Cmd.1842, 1923, pp.5-9.

3. Ibid. pp.9-10.

4. Hansard, Vol.162, 12 April 1923, Cols.1311-2; CAB23/45, Cabinet Meeting, 10 April 1923, Conc.1(a) (1)-(7); CAB 24/159, CP-181(23), Agricultural Tribunal of Investigation: Interim Report, 4 April 1923; CAB 24/159, CP-184(23), Memo by Minister of Agriculture, 6 April 1923.

Further considerations followed the Report of the Agricultural (Economists Report) Committee to Cabinet.<sup>1</sup> The Cabinet approved a duty of 10s. a quarter on imported malting barley, and loans of up to £5 000 under the Trades Facilities Act for farmers to organize milk collection and treatment depots, supported by £200 000 in loans from the Ministry of Agriculture and £35 000 from the Scottish Department of Agriculture. The recommendations concerning wheat offals and foreign potatoes were rejected although the compulsory registration of Conciliation Committee agreements and the extension of research were approved.<sup>2</sup>

However, this official response to the Interim Report did not meet the expectations of the farming community and a further agricultural deputation was received by Baldwin after he became Prime Minister in May 1923. Tariffs were again ruled out, but Baldwin promised to re-consider a £1 per acre subsidy in return for an obligation to pay a minimum wage of 30s. a week. This then became part of a programme of further suggestions which were to appear in the Tribunal's second Interim Report.

Meanwhile, the Agricultural Rates Act, 1923 was passed in August and was intended to reduce a tax on the means of agricultural production. This was the first legislation in the inter-war years to provide a financial benefit for all farmers, and was an extension of the 1896 Agricultural Rates Act which had first halved English farm rates in the late nineteenth century agricultural depression. The 1923 Act halved the existing agricultural rates in Great Britain, and the Rating and Valuation Act, 1923 removed three quarters of the rates on farm buildings. The NFU, however, did not regard this as a final settlement and continued to press for further rating relief.<sup>3</sup>

1. CAB 27/219, CP-199(23), Report of the Agricultural (Economists' Report) Committee, 17 April 1923.

2. CAB 23/45, Cabinet Meeting, 18 April 1923, Conc.1(a), (d)-(g), (j); Hansard, Vol.162, 20 Aug.1923, Cols. 2447-8.

3. Report of the Council of the NFU for 1923', NFU Year Book, 1924, p.218.



The second Interim Report appeared in November 1923, and again stressed the need to maintain the arable acreage.<sup>1</sup> Although it was believed that it was unlikely and undesirable that this would fall below 12m. acres, several schemes were considered to maintain tillage. A scheme providing a £1 an acre subsidy on all arable land with no weighted assistance to wheat was dismissed because of its high cost and because it did not guarantee that the arable area would be maintained. It was believed that a guaranteed wheat price, in effect a subsidy on output, would encourage the good rather than the indifferent farmer, but it was found unsatisfactory because the greatest benefit would be gained by the better, high-output land whilst it was the poor soils that required the subsidy most. An acreage subsidy on wheat was similarly rejected. A wages subsidy was dismissed as being inequitable over high and low wage districts, as not supporting family farms, as applying to all farm types when it was intended to be directed towards arable systems, and as involving difficult and costly administration. It was thought that land under the plough might be given partial relief from income tax, but it was recognized also that many farmers were outside the tax limits. The Tribunal eventually favoured a scheme combining a 10s. per acre subsidy on arable land with an additional 10s. per acre for wheat, which might cost £6m. and perhaps induce a rise and cost £6.5m.. Wheat was regarded as the main crop in arable systems, and as having suffered most from the price fall. The subsidy should be given only if the wages boards were re-instated in order to allow labour to share in the benefits, and in addition smallholdings should be supported to help maintain the rural population.<sup>2</sup>

The Cabinet's Committee on Agricultural Policy, formed to consider these options, favoured a 20s. per acre subsidy on arable land, with an

1. Intermin Report, Cmd.2002, 1923.

2. Ibid. pp.3-5.

investigation into assistance through preferential railway rates on domestic produce, and provisions to check bad farming and rent increases resulting from the subsidy.<sup>1</sup> It considered two wages schemes : the NFU suggestion that a minimum rate of 30s. for a 52-hour week be a condition for receipt of the subsidy; and another that Conciliation Committees which had not reached decisions be forced to accept the appointment and ruling of impartial chairmen. Although no decision was taken, the Cabinet agreed that a 52-hour week was excessive.

After considerable discussion, the Cabinet decided to make the main lines of the Report their agricultural policy at the forthcoming General Election of 6 December 1923.<sup>2</sup> The subsidy would be 20s. per arable acre for farmers paying weekly wages of 30s.. Farmers would have to prove their claim that wages boards were unnecessary, and the government would reserve the right to establish machinery for assessing fair wages. The subsidy would be furnished from a customs duty, and a duty was to be placed on imported malting barley.<sup>3</sup>

The Labour Government, 1924 - Assistance to Labourers and Arable Farmers

The 1923 election centred on the protection issue. The main attack on the government focused on the question of dear food, and the election eventually resulted in a free trade Labour Government.<sup>4</sup> The Labour Party's policy on land was subject to a number of conflicting pressures, and although

1. CAB 27/227, CP-456(23), Report of the Cabinet Committee on Agricultural Policy, 12 Nov.1923.

2. CAB 23/46, Cabinet Meeting, 14 Nov.1923, Conc.2(a).

3. Ibid. Concs.2(a) (i)-(iv), 2(b), and 3.

4. The election campaign united the Lloyd George and Asquith Liberals, and on many issues there was little difference between the Labour and Liberal manifestos. The result left no party with a majority, but the Conservatives, holding most seats, remained in office for a further seven weeks until they were defeated on a motion of censure on 21 January 1924. This resulted in the establishment of a Labour Government with Liberal support.

it was committed to land nationalization it never did more than test reactions to this idea. The Party had to appeal to small farmers as well as labourers, and was committed to free trade, having fought the election on the basis of opposition to food taxes. It rejected both duties and subsidies, and declared that agriculture must be conducted on an economic basis without support from the public purse.

Apart from a very real concern with the wages of agricultural labourers, the Labour Government never evolved a comprehensive agricultural policy, but hoped to await the Final Report of the Agricultural Tribunal.<sup>1</sup> The government did reject the arable subsidy as a payment for something the country already had, and as being unlikely to improve the labourers' position by being conditional upon the payment of a certain level of wages because the farmer could refuse to accept it. Meanwhile, some previously established plans were investigated for the better utilization of the Agricultural Credits Act, 1923, and for loans for bacon factories, creameries, allotments, housing, drainage, co-operation, research, and education.<sup>2</sup>

However, the Labour Government did formulate two important pieces of legislation during its short period in office. The Agricultural Wages (Regulation) Act, 1924 was passed and the British Sugar (Subsidy) Act, 1925 was drafted. The Labour Party was committed to the idea of a national minimum wage. As a result of the collapsing effectiveness of the Conciliation Committees, an Agricultural Wages Board and county Agricultural Wages Committees were established to fix minimum farm wage rates. However, although the government could not prescribe a national minimum rate, agricultural wages became regulated by local statutory Agricultural Wages Committees, and farm wage rates were effectively the lowest wages

1. The delay in announcing a policy resulted in a Commons Resolution in April urging the government to state its agricultural policy. Hansard, Vol.172, 30 April 1924, Cols. 1793-1805.

2. CAB 23/47, Cabinet Meetings, 28 Jan. and 8 Feb.1924, Conc.8, Appdx III, CP-81(24), Report of Cabinet Committee on Agricultural Policy, 7 Feb.1924.

in the economy. Wages boards had been discussed for some time, and similarly the NFU and beet sugar interests had been calling for state support since the War. The beet sugar subsidy was introduced in order to foster a nascent industry, to maintain arable farming by replacing the unprofitable root break with a cash crop, and to extend farm employment opportunities. The subsidy was payable to the beet sugar factories for ten years, with programmed reductions after four and after seven years, on condition that the factories paid certain suitable prices to growers of beet.

As a result of the Labour Government's measures all farmers were now faced with having to pay statutory levels of wages, which at times they complained were hard to bear. Also a precedent was established for the provision of indirect agricultural subsidies (indirect because they were paid to an industry manufacturing a secondary agricultural product), although the idea of direct payments was repudiated in 1926.<sup>1</sup>

The Baldwin Government, 1924-9: Continued Assessment, Free Trade, and Miscellaneous Assistance

Although the Agricultural Tribunal's Final Report was published in May 1924,<sup>2</sup> it contained little that was new or startling, and by then the Labour Government had become too concerned with other issues to form an overall agricultural strategy before its fall. The Tribunal had finally realized that its frames of reference (how the prosperity of agriculture might be increased, how production might be intensified, and how the largest possible opportunities for the employment of labour at a living wage might be arrived at), were not necessarily compatible.<sup>3</sup> More intensive cultivation involved higher working costs which did not help to increase

1. Agricultural Policy, Cmd.2581, 1926.

2. Final Report, Cmd.2145, 1924.

3. Ibid. p.103 et passim.

prosperity in a period of falling prices, and it was difficult to suggest that prosperity might be increased or maintained and more labour employed without reducing wages, unless the land were under-farmed. More employment could only mean larger labour costs which had to be balanced by a corresponding rise in the value of farm output, yet increasing import competition required agriculture to be as efficient as possible.<sup>1</sup> While it was acknowledged that England would remain a country dependent upon manufactured exports, in which industrial interests were more important than those of agriculture, it was postulated that the disadvantages of a further decline in the arable acreage might make it worthwhile for the country to pay a substantial price to maintain such land for reasons of defence if not economics.<sup>2</sup> Under a free trade system Britain could only maintain its tillage by developing arable-stock farming. Thus the Agricultural Tribunal believed that the future of farming depended on how far agricultural production and employment might be maintained by reorganization alone, with assistance from measures for co-operation, education, smallholdings, better credit and transport, and wages regulation.

Baldwin's Conservative Government inherited this report and received the Final Report of the Linlithgow Committee on the Distribution and Prices of Agricultural Produce during its first month in office.<sup>3</sup> The ideas expressed in these reports, and the improvement or extension of agricultural legislation introduced since the War, formed the basis of the action taken by Baldwin's Government in respect of agriculture.

The Tribunal's questioning of its terms of reference caused the government to attempt a further review in consultation with the agricultural

1. Ibid. pp.103, 106-7.

2. Ibid. pp.89-9, 194.

3. Final Report, Cmd. 2008, 1924.

interests.<sup>1</sup> Conferences were proposed for England and Wales, and Scotland, to consider what measures were necessary " (i) to maintain and (ii) to increase the area of arable land...and by what further measures the economic maximum production of food from all the agricultural land of the country can be stimulated".<sup>2</sup> The Cabinet believed that "Neither the Government nor the nation as a whole is in a position at this stage to express an opinion regarding the degree of assistance that the country might be willing to afford to the industry without advice from the experts of the industry itself as to the effectiveness of any action recommended".<sup>3</sup>

The proposed conferences were abandoned owing to the lack of enthusiasm on the part of the agricultural unions, and this left the government to define its aims alone. The NFU stated that it was not the farmers' business to formulate agricultural policy and if farming were conducted on ordinary business lines the industry would adapt accordingly. However, if the nation was prepared to finance uneconomic demands, then while farmers would consider such proposals they would require assurance that the history of Pt.I of the Agriculture Act, 1920 was not likely to be repeated.<sup>4</sup> Both agricultural labour unions also refused to participate and the Cabinet abandoned this approach. It decided that government policy would be "founded on the assumption that the agricultural industry will have in the main to be conducted on an economic basis and that remedies involving substantial burdens on the Exchequer, with no guarantee of permanence, such as must depend upon general agreement, were not at present within the realm of practical politics."<sup>5</sup> Now instead of participating in a conference, the

1. Hansard, Vol.179, 9 Dec.1924, Col.51; CAB23/49, Cabinet Meeting, 12 Nov.1924, Conc.3 (a),(b).

2. CAB 23/49, Cabinet Meeting, 26.Nov.1924, Conc. 7(d); CAB 24/169 CP-504(24), Agricultural Policy, 24 Nov.1924.

3. CAB 23/49, Cabinet Meeting, 3 Dec.1924, Conc.7; CAB 24/169, CP-519(24), Proposed Conference on Agricultural Policy, 2 Dec.1924. The italics are as found in the Cabinet Paper.

4. National Farmers Union, 'Memorandum on Agricultural Policy,1925' NFU Year Book, 1926, p.99.

5. CAB 23/49, Cabinet Meeting,25 Feb.1925, Conc.5 (b); CAB24/171, CP-93(25), Proposed Conference on Agricultural Policy, 19 Feb.1925.

agricultural interests were asked to submit proposals for consideration by the government.

With the exception of the 1925 beet sugar subsidy, the measures proposed by the Baldwin Government were intended mainly to reform the agricultural structure and to relieve taxation burdens on farming. The hops import duty was imposed under the Finance Act, 1925, and the capital value of land was exempted from increased rates of death duties.<sup>1</sup> Agricultural measures in 1925 also included acts dealing with land charges, agricultural rating relief, tithes, allotments, the importation of pedigree animals, and diseases of animals.<sup>2</sup> However, the Empire Marketing Board policy, aimed at fostering the sale of Empire produce in the UK in preference to foreign produce, was a retrograde step for domestic farmers because it supported some competitive imports.

A cabinet committee was appointed in August to report on agricultural policy, in response to the proposals for measures of assistance from the principal agricultural organizations. This at last produced a government statement in January in the form of a White Paper, although the basic tenets of agricultural policy were unchanged from the Agricultural Tribunal's Final Report :

- (1) That the land should yield its highest economic possibilities in the way of food for the nation, and
- (2) That it should furnish a basis of life and a reasonable livelihood to the greatest number of people.<sup>3</sup>

However, there was no agreement within agriculture or in the political parties on how to achieve this. Consequently, the government stated its own

1. CAB 23/49, Cabinet Meeting, 25 March 1925, Cond.6; CAB 23/50, Cabinet Meeting, 10 June 1925, Conc.5; CAB 24/173, CP-284 (25), Effect of Increase of Death Duties on Agricultural Interests, 9 June 1925; Finance Act 1925.

2. See Appendix I.

3. Agricultural Policy, Cmd.2581, 1926, p.2; CAB 24/178, CP-25(26) Agricultural Policy, 26 Jan.1926; CAB 23/52, Cabinet Meeting, 29 Jan.1926, Conc.(3).

conclusions, noting the importance of avoiding reversals of policy. It rejected the imposition of protective duties on imported corn as contrary to the pledges of the government and the policy of the other parties, and it also rejected payments intended to increase production and employment as not being worth the cost even on the grounds of national defence. Consequently, it decided that the right course was to educate and encourage rather than to coerce; to create confidence; to stimulate private enterprise to organize itself on an economic basis; and to protect farmers from the dislocation of policy reverses which would impair progress and breed insecurity. Useful assistance was to be offered through the provision of better credit, smallholdings, improvements to rural life, drainage, forestry, co-operative marketing, research, rural housing, rating relief, and the continuation of the beet sugar subsidy.<sup>1</sup>

It was chiefly with such specific measures, aimed at reducing the costs of agricultural production, that the government was concerned during its term of office, whilst adhering to the desire to increase output and foster smallholdings. Foremost amongst these issues were proposals for marketing reform. The Linlithgow Committee's Reports had become available from 1923, and the Final Report was produced in 1924. This pointed out the unjustifiably wide gap between agricultural and retail prices which had appeared since the War, and concluded that the public interest demanded a determined effort to reform the marketing and distributive machinery by standardizing domestic farm products and improving their saleability.<sup>2</sup> The Ministry of Agriculture had begun to propagate such views and proposals for reform through its Marketing Series pamphlets,<sup>3</sup> and attached this approach

1. Agricultural Policy, Cmd.2581, 1926, pp.1-7.

2. Final Report Cmd.2008, 1924; Appendices II-III.

3. This series proved an invaluable guide to the production and marketing of British and imported agricultural commodities. The first forty-eight publications relate to matters concerning agriculture in the inter-war years.



to the long-established advocacy of co-operative principles for farming. Not only might farmers benefit directly from managing their own marketing, and thus reduce costs, but by selling produce graded and packed as required by consumers, they might better compete with the increasing sales of imported standardized and advertised produce which had become a regular feature of the market since the War. Farmers were offered assistance in this area when the principle of the Merchandise Marks Act, 1926 was extended to farming by the Agricultural Produce (Grading and Marking) Act, 1928.

In addition to marketing reform the government offered more accessible and cheaper credit through the Agricultural Credits Acts, 1928-9 and direct relief was granted when agricultural hereditaments were completely exempted from rates from October 1929 by the Rating and Valuation (Apportionment) Act, 1928 and the Local Government Acts, 1929. However, de-rating in England and Wales was advanced six months by the Agricultural Rates Act, 1929, more in anticipation of the forthcoming General Election than <sup>by</sup> the NFU's concern that arable farming was in serious decline. The extension of rating relief was intended to remove the disparity in local farm rates by de-rating land and buildings, and to stem the decline in the agricultural acreage and population.<sup>1</sup> The Baldwin government also passed the Small Holdings and Allotments Acts, 1926, the Landlord and Tenant Act, 1927, the Housing (Rural Workers) Act, 1926, and other subsidiary measures of assistance and control.<sup>2</sup>

#### Agricultural Policy, 1921-9

Agricultural policy in the 1920s represented a gradual movement by the government from its immediate post-War intention to expand domestic agriculture, towards a concern with improving the efficiency and business of farming and reducing costs of production. The expansionist policy

1. Rating relief amounted to perhaps 2s. an acre in 1929, Hansard, Vol.227, 19 April 1929, Cols.549-553; Table F.IX.

2. See Appendix I.

had been intended to reverse the decline in the agricultural acreage in order to increase domestic food production, to maintain employment on the land, and to reduce the volume of food imports. This might lessen the cost of imported food in peace and provide security in the event of a future war. It was to be achieved through an encouragement of the arable sector, because this was the most productive type of farming and offered the greatest opportunities of maintaining the rural population.

In the middle of the decade this approach still remained and was expressed as the policy that the land should "yield its highest economic possibilities in the way of food for the nation and employ as great a number of people as possible". As food imports became cheaper, agricultural policy became less specifically related to the balance of trade, and considerations of national defence also became of less importance. Agricultural policy gradually became more concerned with the business of farming rather than the role of the farming sector in the national economy. Consequently, as the government was made aware of some of the difficulties facing agriculture, the decline of the arable acreage, and low incomes in certain sectors, it sought to evolve responses that were largely consistent with the predominant free trade attitudes of the 1920s. The beet subsidy and wages regulation were exceptions to this type of approach, otherwise, measures were aimed at reducing the burden of charges on farm land, easing the supply of farm credit, improving production, marketing, and distribution methods, granting greater tenant rights, and encouraging smallholdings. However, subsidies and protection were ruled out. It was not until the world economic depression of 1929-33 began to affect domestic agriculture that the government felt able to consider farm subsidies and agricultural protection in respect of food imports.

The World Economic Crisis, Wheat Quotas, and Marketing Reform, 1929-31

The Labour Government which took office in 1929 was faced with a deepening world economic crisis which was already having an adverse effect on some arable crops, especially wheat. Although there had been attempts to

halt the decline in the arable acreage, it had continued to fall since the War, and in 1929 further complaints about the decreasing profitability of cereal production and calls from the NFU for subsidies or import controls were combined with concern over two years' decline in stock numbers. However, Noel Buxton, the Minister of Agriculture, like his predecessor Walter Guinness, told an NFU deputation that the Anglo-German Treaty of 1924 and the government's unwillingness to put a duty on foods made import protection impossible. A motion calling for the government to introduce measures to counteract the dumping of German wheat and other cereals was defeated by the government and no other action was taken.<sup>1</sup>

In contrast with other major industries such as coal, the desire to strengthen farming was relatively low on the government's agenda. The Cabinet gave little consideration to agricultural policy in the first half year in office, but placed its hopes in another agricultural conference, representing government, farmers, workers, and landowners. This was to discuss agricultural marketing, defects in the provision of smallholdings, livestock improvement, pest control, and the provision of village amenities. The NFU, who were to take the lead in discussions, stated in a letter of acceptance that their aim would be to secure a fair return to farmers and an adequate wage to workers, consistent with the maximum use of the land and without increasing prices to the consumer or resorting to tariffs or subsidies.<sup>2</sup>

The Conference agreed that the key to agricultural profitability was the problem of cereal growing, which by causing a reduction in the arable acreage and changes in farming systems had resulted in increased competition and a reduction in incomes in other branches of the industry.

1. Hansard, Vol.231, 30 Oct.1929, Cols.165-236; CAB 23/62, Cabinet Meeting, 30 Oct. 1929, Conc.6.

2. 'Report of the Council of the NFU, for the Year Ended December 31st 1929', NFU Year Book, 1930, p.390.

Hence, the Conference actually spent most of its time considering methods to improve wheat prices. Although wheat was a very small part of gross domestic agricultural output, it was considered central to arable systems, and hence, in the minds of many agriculturalists, it was essential to British farming.<sup>1</sup>

The Conference's proposals centred on the establishment of a national wheat and flour board with the sole power to purchase a fixed quota of home wheat at a remunerative statutory fixed price. It was resolved in February 1930 to ask the government for a guaranteed price of 55s. a quarter for domestic wheat in order to stabilize the arable sector and to prevent unemployment, and the general agricultural situation was discussed with reference to the disposal of mounting surpluses of milk, potatoes, and hops. The government saw these requests as opposed to its cheap food policy, and ignored the Conference's proposals. Although never officially dissolved, the Agricultural Conference did not meet again.<sup>2</sup>

The government was interested in the Conference only in order to discuss the process of marketing reform and issues outlined in 1926 by A Labour Policy for Agriculture.<sup>3</sup> This policy statement had called for two initiatives: the formation of domestic marketing boards and of import boards. When the parliamentary programme was drawn up in 1930 Buxton was invited to implement the former pledge.<sup>4</sup> He submitted proposals for an Agricultural Marketing Bill to facilitate the national co-operative organization of producers for greater unity of effort in marketing, subject to "appropriate

1. In 1930 wheat represented 2% of total off-farm sales, but was an important crop in most farming systems and was grown on the majority of farms. In the inter-war years crops sprovided 27% of total off-farm sales and livestock produce 73%, (Table F.IV). Cheap cereals benefited stock farmers for they formed part of feed costs and incomes on some pasture farms were rising in the years prior to 1930, (Tables F.II-F.VI).

2. 'Report of the Council, 1930', NFU Year Book, 1931, pp.446-7.

3. Labour Party Publications, A Labour Policy for Agriculture, (1926).

4. CAB 23/63, Cabinet Meeting, 15 Jan.1930, Conc.2 (d), Cabinet Meeting, 29 Jan.1930, Conc.8 (a)-(c).

safeguards". Such bodies, supported by statutory powers, might enforce marketing reforms. They might not use their monopoly for price manipulation, but price improvement might be achieved through quantitative restriction of the market operated through qualitative controls.<sup>1</sup> In March Buxton also suggested taking up proposals for import boards in view of the rapidly deteriorating wheat position,<sup>2</sup> and J.H. Thomas, the Dominions Secretary, proposed an 'experimental' statutory quota to ensure that flour milled in the UK contained 15% domestic wheat.<sup>3</sup> A special Cabinet considered nine papers on various aspects of agriculture on 11 March<sup>4</sup> and concluded "that no proposal that involved either a crude subsidy or protective tariffs would be considered".<sup>5</sup> It then established a committee to examine agricultural policy, especially marketing, bulk purchase, and unemployment insurance.

This Committee on Agricultural Policy recommended unanimously the adoption of the Agricultural Marketing Bill, but recognized that it would not help solve the depression in cereal prices, consequently it went on to consider the other two policies.<sup>6</sup> It was too divided to recommend either

1. Ibid.

2. CAB 23/63, Cabinet Meeting, 5 March 1930, Conc.5; CAB 24/210; CP-76(30), Agricultural Situation and Policy, 4 March 1930.

3. CAB 24/210, CP-85(30), Agriculture and Employment, 7 March 1930.

4. CAB 23/63, Cabinet Meeting, 11 March 1930; CAB 24/210: CP-76(30), Agricultural Policy, 4 March 1930; CP-78(30), Wheat, 8 March 1930; CP-79(30) Marketing Bills, 7 March 1930; CP-80(30), Scotland, 10 March 1930; CP-81(30), Unemployment Insurance, 6 March 1930; CP-82(30), Training Centres, 7 March 1930; CP-85(30), Unemployment, 7 March 1930; CP-88(30), Monopoly Import Purchase, 10 March 1930; CP-91(30), Imports of "Bounty-Fed" Cereals, 10 March 1930.

5. CAB 23/63, Cabinet Meeting, 11 March 1930, Cond.1(a).

6. CAB 27/417, CP-99(30), CP-104(30), Interim and Final Reports of the Committee on Agricultural Policy, 17 March 1930, 25 March 1930, also in CAB 24/210 and CAB 24/211.

a milling quota or a bulk purchase monopoly, and the Cabinet decided that Buxton and Snowden should produce a scheme for a statutory quota that would not involve any appreciable charge on public funds.<sup>1</sup> However, opposition to such sheltering was mounting, especially from Snowden, who offered the fundamental argument that subsidies to farming, in whatever form, would have the effect of lowering real wages.<sup>2</sup>

Meanwhile the Cabinet had appointed another Agricultural Policy Committee under the aegis of the Economic Advisory Council, to consider what was likely to happen under the continuation of the existing policy for agriculture. In particular it was to consider whether the decline in the cultivation of the land and rural employment would continue, and whether this was consistent with national economy or safety. It held nine meetings from 13 May to 7 June, but never actually discussed the long term trends of agricultural prices or future prospects, and became embroiled in the prolonged controversy within the Cabinet between Snowden and Addison over agricultural protection.<sup>3</sup>

Addison, who in June replaced Buxton at the Ministry of Agriculture,<sup>4</sup> actively led the interventionist side, claiming that with subsidies and tariffs ruled out and the election commitment to import boards in abeyance, it would be political disaster to offer no policy at all.<sup>5</sup> At the start of

1. CAB 23/63, Cabinet Meetings, 26 March 1930, Conc.4 (c), 2 April 1930, Conc.2.

2. CAB 24/211, CP-139 (30), Statutory Quota of British Wheat in Flour, 2 May 1930.

3. CAB 58/156-7; CAB 24/213, CP-244(30), Reports by the Committee of the Economic Advisory Council on Agricultural Policy, 15 July 1930.

4. Buxton retired due to ill-health in June 1930.

5. CAB 24/211, CP-143(30), Statutory Quota of British Wheat in Flour, 5 May 1930.

July Addison proposed a comprehensive programme including import boards for cereals, a guaranteed home market on the principle of the statutory quota, reserve powers for anti-dumping duties, the introduction of the Agricultural Marketing Bill, and compulsory powers to acquire and merge smallholdings.<sup>1</sup> This was in direct conflict with the Agricultural Policy Committee's Report which could not recommend "a policy which would place agriculture on a peculiar footing and extend to it state assistance which is denied to the depressed basic industries", and that might make it "easier to continue obsolete methods." It decreed that the pattern of the agricultural output and the level of agricultural incomes should be determined by market forces and argued that the prospect of a future war could not justify the maintenance of agricultural production at a level which was uneconomic in times of peace.<sup>2</sup>

Snowden used this report to attack Addison's proposals. The Chancellor opposed all forms of subsidy and protection, urging that it was a mistake to concentrate on wheat, which he believed was the smallest part of the agricultural problem. He suggested also that in view of the vast importance of dairy produce, which could be produced better at home, farmers should turn to milk production. In fact, many farmers were doing this and milk co-operatives were beginning to experience difficulty in maintaining prices as output began to exceed demand. Snowden did allow that import boards should be examined,<sup>3</sup> but a Cabinet Wheat Quota Committee chaired by

1. CAB 24/213, CP-234(30) Improvement of Proposals for Agricultural Policy, 5 July 1930; CAB 23/64, Cabinet Meetings, 16 July 1930, Conc.5, 18 July 1930, Conc.2.

2. CAB 24/213, CP-244(30), Committee on Agricultural Policy, 7 July 1930; Also in CAB 58/10, EAC(H) 97, 7 July 1930; CAB 23/64, Cabinet Meetings, 16 and 18 July. Considerations of national defence only featured prominently amongst reasons for supporting agriculture in the period following the Great War, and as European war appeared more likely from the mid-1930s.

3. CAB 24/213, CP-250(30), Agricultural Policy, 18 July 1930; CAB 23/64, Cabinet Meeting, 18 July 1930, Conc.2.

Addison, while favouring import boards as a long-term policy, endorsed the statutory wheat quota as an emergency measure for arable farming on condition that it was accompanied by a wheat marketing board to market quota wheat.<sup>1</sup>

This, however, was criticized by the Cabinet.<sup>2</sup>

At this stage the Cabinet decided to reserve all "comprehensive proposals" for the autumn Imperial Conference.<sup>3</sup> Snowden pledged in August that "as soon as the conclusions of the Imperial Conference are known, the Government will undertake whatever practical steps can be devised to put cereal growing in this country on an economic foundation", and that the Conference would discuss bulk purchase, import boards, and the stabilization of prices.<sup>4</sup> The government should have decided its agricultural policy ready for the Conference, instead of allowing the Dominions to prescribe limitations to policy. In the event, little was determined at the 1930 Conference, and the delaying of a politically difficult decision in this way was not crucial, as it was when this kind of indecision was repeated in 1932.

The Imperial Conference, which was to meet during October, had been called largely at the instigation of the Canadian Prime-Minister R.B. Bennett, who was an ardent advocate of imperial economic unity and was its dominant figure. Discussions centred upon the granting of preferential tariff protection for Dominion primary produce in the UK market in return for increased preference for British manufactures in Empire markets, an issue raised domestically through Beaverbrook and Rothermere's "Imperial Crusade".<sup>5</sup>

1. CAB 24/214, CP-272(30), Wheat Quota Scheme, Report and Draft Resolutions, 25 July 1930.

2. CAB 23/64, Cabinet Meeting, 18 July 1930, Conc.2.

3. CAB 23/64, Cabinet Meeting, 31 July 1930, Conc.1; CAB 24/214, CP-282A(30), Agricultural Policy: Revised Draft Statement, (Addison), 31 July 1930.

4. Hansard, Vol.242, 1 Aug. 1930, Cols 891-2; CAB 23/65, Cabinet Meeting, 24 Sept. 1930, Conc.1.

5. For a thorough discussion of the 1930 Imperial Economic Conference see Drummond, I.M., Imperial Economic Policy, 1917-39, (1974), pp.145-62.



Just before the Conference Addison re-stated the case for import boards, which met determined Treasury opposition, and Snowden made it clear that because of his election pledges, import boards and a statutory quota on home-grown wheat were not practicable steps.<sup>1</sup> This did not discourage J.H.Thomas from submitting plans for a Dominion wheat quota,<sup>2</sup> but opposition to any statutory plans favouring Dominion produce resulted in a deferment, and the Conference, urged on by the UK delegation, agreed to delay any decisions to an Imperial Economic Conference to meet at Ottawa within the next twelve months.<sup>3</sup>

Plans for agriculture were not advanced while the Conference was in session and nothing was done until the New Year. Relations between the government and the NFU had become strained as prices fell, as the government failed to determine a policy to meet increasing agricultural distress, and because in October Ramsay MacDonald had declared himself too busy to meet an NFU deputation. The NFU's Council sent a resolution to Addison to redeem the Chancellor's pledge "to undertake whatever practical steps could be devised to put cereal growing...on an economic foundation".<sup>4</sup> The Union also reiterated calls for the government to denounce immediately any treaties which prevented the imposition of countervailing duties on bounty-fed imports or the restriction of such imports, and which might prevent the maintenance or increase of agricultural output and employment in the national interest. The NFU urged that a guaranteed price of 55s. per quarter be accepted for home grown wheat, with guaranteed prices for other cereals, as the only means

1. CAB 24/215, CP-307(30), Import Board Policy, 15 Sept. 1930.

2. CAB 24/216, CP-366(30), The Imperial Conference, Dominion Wheat Quota, 27 Oct. 1930.

3. Imperial Conference, 1930, Cmd.3717, 1930, p.44; CAB 23/65, Cabinet Meeting, 10 Dec. 1930, Conc.1.

4. 'Report of the Council 1930', NFU Year Book, 1931, pp.448, 454.

of stabilizing the arable sector and as being in accord with the government's declared policy that "farming must be made to pay".<sup>1</sup> The NFU asked that measures should be introduced to follow the Prime Minister's statement that the first duty of the government was to maintain price conditions which would be fair to farmers.<sup>2</sup>

Meanwhile the government continued its attempts to formulate a broader agricultural policy. It established an Agricultural Development Committee for this purpose as the agricultural crisis became more widespread and severe and as calls from farmers' organizations became more insistent.<sup>3</sup> At the same time the issue of the programmed reduction in the levels of beet sugar subsidy came to the fore.<sup>4</sup> The Agricultural Development Committee also became involved in the continuing debate on wheat quotas, although discussion of its Interim Report was delayed by Snowden's illness.<sup>5</sup> The Report favoured a home wheat quota to halt the decline in arable land and the number of farm labourers by fixing prices that would maintain the wheat acreage, but it doubted whether a scheme should be applied to oats or to malting barley. When Snowden returned a month later he vigorously opposed these findings, stating that "It [the wheat quota] is the crudest of all possible subsidies" and that its introduction "would be political suicide". He also believed that all staple industries required aid and might require quotas; that quotas were undisguised protection and would raise bread prices; that they brought the Exchequer no revenue; and that a pledge had been given to the Commons in August to undertake whatever practical steps could

1. Ibid. pp.483-4.

2. 'Report of the Council', 1930, pp.488-9.

3. CAB 23/66, Cabinet Meeting, 21 Jan.1931, Conc.13 (1).

4. CAB 23/66, Cabinet Meeting, 28 Jan.1931, Conc.4; CAB 24/219, CP-17 (31), Position of the Sugar Industry, 4 Jan.1931.

5. CAB 23/66, Cabinet Meeting, 4 March 1931; CAB 27/444, CP-52/31), Agricultural Development Committee, Interim Report on the Home Wheat Quota Scheme, 20 Feb.1931. Owing to the resignation of the government in August 1931 the Committee did not produce a final report.

be devised to put cereal growing on an economic foundation and that the quota would not do this.<sup>1</sup>

Fears of Liberal opposition and splits inside the Labour Party finally decided the issue. Wheat was only 4% by value of British agricultural production, and as bread became a more important subsistence food in the depression it was agreed that wheat prices should be kept low. Hence, in such economic conditions the quota was to be deferred.<sup>2</sup> The National Association of British and Irish Millers strongly opposed it,<sup>3</sup> especially once Baldwin announced Conservative proposals for a wheat quota which placed the burden of guaranteed prices on the Exchequer rather than directly on the consumer. Liberal and Labour opposition, even among agricultural MP's, made it doubtful whether Addison's proposals would pass, and ultimately it was agreed that there was not enough support in Cabinet or in parliament to justify the adoption of the quota.<sup>4</sup>

Instead, the Cabinet turned back to plans to advance agriculture through organized marketing, and the Agricultural Marketing Act, 1931 was introduced in December 1930. It was principally an enabling measure and provided for the establishment of statutory nationwide producer commodity organizations to overcome weaknesses in the market system. It might also improve farm incomes through the quantitative regulation of domestic output by determining the quality of produce that might be sold. However, the NFU was more interested in the increased supplies of overseas produce and falling import prices, and criticized the Act for containing no protective provisions.<sup>5</sup>

1. CAB 24/220, CP-89(31), Home Wheat Quota Scheme, 13 April 1931.

2. CAB 23/66, Cabinet Meeting, 15 April 1931, Conc.1. In fact in 1931 wheat formed only 1.5% of off-farm sales, (Table FIV).

3. CAB 23/67, Cabinet Meeting, 6 May 1931, Conc.9.

4. CAB 23/67, Cabinet Meeting, 4 June 1931, Conc.3.

5. 'Report of the Council of the NFU, 1930', pp.488-9.

The government envisaged marketing schemes for meat, poultry, eggs, dairy produce, vegetables, and fruit,<sup>1</sup> and a further Agricultural Produce (Grading and Marking) Act was enacted during the final stage of the passage of the Agricultural Marketing Bill. Resolutions passed by the Agricultural Group of the Parliamentary Labour Party recommending import boards, a food consumers' council, a central wages board, and guaranteed minimum wheat prices of 45s. a quarter to farmers paying wages above 35s. a week, were now merely noted by the Cabinet.<sup>2</sup>

Addison had lost the battle over quotas and import boards by the time the first MacDonald National Government was formed in August 1931. Snowden also won no lasting victory for it was the Conservative policy of direct subsidies that finally closed the issue in 1932, although this was only brought about after a national transition to protection.

It was during the 1929 Labour Government's term of office that movements in national agricultural policy with respect to improving the farmers' position in the market emerged in much stronger form, and the government first attempted to respond to the intensification of the long-term trend of falling cereal profits and prices. The government's ultimate refusal to protect agriculture from overseas competition made the Agricultural Marketing Act the most significant policy initiative accomplished, although much time was spent discussing import boards and wheat quotas. The government also provided some additional assistance to the beet sugar industry and arable farming through the British Sugar Industry (Assistance) Act, 1931, which was required because of the failure of the NFU and the factories to agree upon a beet price. Generally, however, plans for increasing the long-term efficiency

1. CAB 23/67, Cabinet Meeting, 4 June 1931, Conc.3.

2. CAB 23/67, Cabinet Meeting, 24 June 1931, Conc.5; CAB 24/222, CP-156(31); Letter from W.B. Taylor, M.D., 18 June 1931.

of farming won over proposals to shelter less competitive sectors, although this was also due to the problem of providing aid without involving protection or making food more expensive. A number of less specific measures of assistance were also passed.<sup>1</sup> Lloyd George's grandiose scheme for a £100m. loan to finance 100 000 new smallholdings for high unit-value produce was rejected on financial and administrative grounds.

### The Transition to Protection, 1931-32

The Labour Government fell during July and August 1931 owing to disagreements between MacDonald, Snowden, and the TUC over the issues of expenditure cuts and a revenue tariff, which caused nine Cabinet resignations. The result of this was the formation of a National Government led by Ramsay MacDonald.<sup>2</sup> Coalition seemed the obvious step in the national crisis of 1931, and the new government was formed in August for "a limited period" to balance the budget and to save the pound. Neither was achieved however, and the Gold Standard (Amendment) Act, 1931, took the country off gold in September. Despite this, the General Election of 27 October returned a second National Government under MacDonald, although with a stronger Conservative and protectionist representation.

The character of the new government rapidly became clear. The Conservatives wanted protection and were helped in this when Chamberlain replaced Snowden at the Exchequer. An Abnormal Importations Act was passed

1. Two Land Drainage Acts were passed in 1930; the Agricultural Land (Utilization) Act, 1931 extended provisions for larger smallholdings, and promoted large-scale experimental farms; the Improvement of Livestock (Licensing of Bulls) Act, 1931 extended stock breeding controls; and the Housing (Rural Workers) Amendment Act and Housing (Rural Authorities) Act extended provisions for the supply of labourers' cottages. See Appendix I.

2. This resulted from Samuel's suggestion and was intended to avoid the Liberals becoming prisoners of the Conservatives as they had been under Lloyd George in 1918-22. Samuel's proposal was seconded by Baldwin who wished to spread the load of unpopularity which the required programme of economies was expected to provoke.

in November, and in December agriculture benefited from the Horticultural Produce (Emergency Customs Duties) Act, which imposed duties for one year on luxury fruit and vegetable imports.<sup>1</sup> These measures were intended to reduce the adverse trade balance and raise revenues by taxing luxury goods and reducing excessive imports. As a result of the balance of payments crisis in 1931 the government's views were turning increasingly towards a protectionist outlook.

In this atmosphere proposals for wheat farming, centred on Conservative suggestions which offered fixed market prices, could be discussed in November and December. On 26 November Sir John Gilmour, the new Minister of Agriculture, announced to the Commons that the government, recognizing the special importance and urgency of the cereal situation, had decided to apply the principle of a quota to home-produced wheat of milling quality and to introduce legislation for next year's crop. This would secure a certain market and an enhanced price, subject to a statutory maximum output of wheat of milling quality.<sup>2</sup> No Exchequer contribution was to be involved, nor was it intended to encourage the extension of wheat cultivation to land unsuitable for the crop. Discussions were to proceed with the industry on the preparation of the scheme,<sup>3</sup> although the Economic Advisory Council (EAC) was guardedly opposed to intervention. It believed that permanent assistance which would allow the continuation of obsolete methods should not be given, but that agriculture should be directed towards improving marketing and distribution. Agriculture should not be granted special relief, but if this was given it should encourage reorganization and the adaptation of methods to the new relationship between wages and

1. CAB 23/69, Cabinet Meeting, 25 Nov.1931, Conc.5; CAB 24/224, CP-29(31), Restriction of Imported Luxury Foodstuffs, 23 Nov.1931; CAB23/69, Cabinet Meeting, 2 Dec.1931, Conc.7; CAB 24/224, CP-299(31), Fruits, Vegetables, and Horticultural Products (Emergency Customs Duties) Bill, 27 Nov.1931.

2. Hansard, Vol:260, 26 Nov.1931, Cols. 493-4.

3. Ibid; CAB 23/69, Cabinet Meeting, 2 Dec.1931, Conc.6; CAB 24/225, CP-302(31), Home Wheat Quota, Proposals for Discussions, 1 Dec.1931.

prices. Finally, it believed that if exceptional measures should be contemplated to assist other industries involving a departure from traditional economic policy, then agriculture had as strong a claim to them as any other sector of the economy.<sup>1</sup>

During the winter of 1931/2 the National Government considered the trade situation and made the full transition from free trade to protection. As a result of bargains made in the Cabinet's Balance of Trade Committee, packed in favour of protection, the Import Duties Act, 1932 was passed in February and converted the temporary powers of the Abnormal Importations Act into a permanent structure of duties which remained until 1939. The central measure was the 10% general tariff which was intended to balance the current trade deficit. Discretionary duties were placed on luxury goods but were not imposed on the most important classes of food and raw materials.<sup>2</sup> These duties were used to protect domestic industries which had lost a share of the home market to import competition. They might be granted by the Import Duties Advisory Committee (IDAC) following an appeal by an industry, with reference to prices, employment, foreign competition, and public and consumer interests. The Treasury had the final voice, but the government in order to avoid responsibility for a separate decision, soon came to adopt the IDAC's recommendations without further discussion. A second purpose of discretionary tariffs was to allow the President of the Board of Trade bargaining room in trade negotiations, which was especially necessary in view of the extraordinary barriers being erected overseas against British exports, by permitting retaliatory duties and lowering agreements.<sup>3</sup>

1. CAB 23/69, Cabinet Meeting, 9 Dec. 1931, Conc. 7; CAB 24/224, CP-279(31), Report of Committee of Economic Advisory Council, 27 Dec. 1931.

2. Duties were imposed on potatoes, flour, milk products, and horticultural produce.

3. Eyers, J.S., 'Government Direction of Overseas Trade Policy, 1932-7' (unpublished Oxford University DPhil, 1977), pp. 1-2. This thesis and Drummond, Imperial Economic Policy, 1917-39, have proved invaluable guides through the Cabinet and inter-departmental discussions on Empire and foreign trade policy in the 1930s.

Whilst the government was formulating its proposals for the general tariff, its agricultural departments were in consultation with the flour millers and importers in order to prepare the legislation for wheat. Agreement was reached with these industries during January<sup>1</sup> and the Wheat Bill, sent to the Commons in February, was enacted in May in time for the 1932 harvest.<sup>2</sup> The Wheat Act gave a guaranteed price of 10s. a cwt. on all millable wheat sold, up to a total of 27m. cwt. (the cultivation level of 1910-14, last achieved in 1927). This was derived from a pro rata quota payment from millers and flour importers, adding an estimated ½d. to the 4 lb. loaf.<sup>3</sup>

This first measure of direct subsidy to agriculture since 1920 had the full support of the Conservative Party with its strong agrarian and protectionist influences. Tory sentiments favoured the view that cheap bread was obtained only by the sacrifice of farmers and workers to the urban consumer, and that farmers should be helped because they were suffering from Britain's being the last free market for wheat. The Labour Party and free traders opposed the bill as an "excise tax on flour", for raising bread prices, and for delegating the authority to tax onto a superintending Wheat Commission. They preferred that subsidy payments should come from the Exchequer. They also argued against the necessity for this support because wheat sales were of relatively less importance than

1. CAB 23/70. Cabinet Meeting, 20 Jan. 1932, Conc.5; CAB 24/227, CP-22(32), Agricultural Policy: Home Wheat Quota, 14 Jan.1932; CAB 23/70, Cabinet Meeting, 27 Jan.1932, Conc.6; CAB 24/227, CP-39(32), Home Wheat Quota, 26 Jan.1932.

2. CAB 23/70, Cabinet Meeting, 10 Feb. 1932, Conc.6; CAB 23/227, CP-46(32), Decisions required by Cabinet on the Recommendations of Agricultural Policy Committee, 27 Jan.1932; CAB 24/228, CP-67(32), Revised Statement of Agricultural Policy, 9 Feb. 1932.

3. Wheat Act, 1932; CAB 23/70, Cabinet Meeting, 27 Jan.1932, Conc.6; CAB 24/227, CP-22(32), Agricultural Policy, Home Wheat Quota, 14 Jan.1932; CAB 24/227, CP-39(32), Home Wheat Quota, 26 Jan.1932.



the output of other branches of farming. However, in terms of the employment wheat gave, the extent of its cultivation, and the assistance it provided to arable rotations, it was of much greater importance to agriculture than the level of off-farm sales alone would suggest.

On 11 February, just prior to the introduction of the Import Duties Bill and Wheat Bill, Gilmour made an announcement of agricultural policy which outlined the approach in the period preceding the forthcoming Imperial Economic Conference.<sup>1</sup> This had been delayed for a year owing to the world economic crisis in 1931. The government acknowledged cries of agricultural distress, especially from the politically strong eastern counties, and stated that the industry was suffering from a severe fall in commodity prices, especially wheat, which was to be met with the Wheat Bill. Whilst the government attached great importance to long-term policy, immediate action was necessary, and accordingly all agricultural produce except wheat, wool, and meat, was to be included in the Import Duties Bill and subject to a general 10% ad valorem tariff (unless already chargeable with duty). Additional duties might be imposed by the IDAC on malting barley (if administratively feasible), and might be used to extend the duties under the Horticultural Produce (Emergency Customs Duties) Act when it expired, depending upon the results of the Ottawa Conference.<sup>2</sup>

Long-term policy was designed to facilitate economic development in branches of the industry likely to be most remunerative, especially where producers had expressed interest in marketing schemes, and for products capable of rapid development. Meat, milk, and bacon were mentioned specifically. A Reorganization Commission was set up to devise a marketing scheme for milk and to investigate means of reducing dairy herd diseases, while manufactured milk imports were covered by the Import Duties Bill. The

1. Hansard, Vol. 261, 11 Feb. 1932, Cols. 1029—1034. This statement was derived from two memoranda to Cabinet from Gilmour, in CAB 24/227 and CAB 27/465, CP-21(32), Agricultural Policy, 14 Jan. 1932, and CAB 24/227, CP-46(32), Agricultural and Fisheries Policy, 27 Jan. 1932.

2. CAB 24/227, CP-46 (32), Agricultural and Fisheries Policy, 27 Jan. 1932; Hansard, 11 Feb. 1932.

preparation of a bacon marketing scheme was to be undertaken which, if satisfactory, would be supported by quantitative import regulation. The government was also to appoint a Reorganization Commission to organize a potato marketing scheme. These announcements were followed by the usual references to developing agricultural education, research, land settlement, and the extension of the National Mark.<sup>1</sup> It was hoped these policies would restore confidence and stimulate endeavour to effect improvements in the production and distribution of home grown food supplies.<sup>2</sup>

#### The Ottawa Imperial Economic Conference, 1932

With the shift to protection accomplished, and specific proposals for the future development of agriculture clearer than before, the government began to investigate an approach for the Ottawa Conference. However, although several issues were discussed in the Cabinet's Ottawa Committee and Agricultural Policy Committee, no clear policy was really developed and much of the initiative was left with the Dominions. This was to the detriment of the British government which was to find that the future limitations to agricultural policy in the 1930s were largely defined during July and August of 1932.

At previous Imperial Conferences the Dominions had consistently pressed Britain to impose duties on foreign goods while allowing the Empire duty free entry. At the 1923 Conference Baldwin's Government had been willing to consider new duties on foreign luxury foods, but this constituted a partial exception to the usual pattern of Dominion importunity and UK intransigence. The Dominions felt free to attack Britain's agricultural free trade policy, but would not allow Britain to attack their growing protectionism. In general, it was recognized that the Ottawa discussions would centre around these areas, together with attempts to include India

1. The National Mark was the grading scheme applied under the Agricultural Produce (Grading and Marking) Acts.

2. Hansard, Vol. 261, 11 Feb. 1932, Cols. 1030-32.

in the preferential system.<sup>1</sup>

As the National Government had moved towards protection in late 1931, it had become useful to think about what could be offered at Ottawa, and at J.H. Thomas's suggestion pre-Conference negotiations were approved in December.<sup>2</sup> While the government knew what concessions it wanted, it was undecided about what it could offer in return. The Cabinet's Ottawa Preparatory Committee would not contemplate a wheat or meat duty, but examined luxury foods, and fresh, tinned, and dried fruits, etc.. Its proposals became mixed with those of the Cabinet's Agricultural Policy Committee, which was under much tighter protectionist control and wanted a wider range of duties and not necessarily with Empire free entry. The Cabinet Committee on the Balance of Trade had recommended the imposition of the 10% general revenue tariff to remedy the current trade imbalance on the assumption that the Dominions would gain a one-third preference, and with some intimation that the whole 10% would be discussed at Ottawa.<sup>3</sup> These recommendations had supplemented the Agricultural Policy Committee's proposals for general protection of domestic agriculture (with reduced rates for Dominion butter, cheese, honey, and fresh, canned, dried, and preserved fruit), and had left Gilmour to complete the draft Wheat Bill's protective clauses.<sup>4</sup> Finally, the Cabinet's Ottawa Committee had already recommended preferential tariffs on a wide range of foods, including butter, cheese, honey, and fresh, canned, dried, and preserved fruit provided that an adequate quid pro quo was obtained, but excluding canned and dried milk, eggs, poultry, bacon, ham, beef, mutton, lamb, live animals, tinned meat, and maize.<sup>5</sup>

1. Drummond, Imperial Economic Policy, p.171 et passim.

2. CAB 23/69, Cabinet Meeting, 2 Dec. 1931, Conc.2 (f), (g); CAB 24/224, CP-288(31), Proposed Imperial Economic Conference, Ottawa Preparatory Committee, 23 Nov. 1931; Drummond, Imperial Economic Policy, p.175.

3. Drummond, Imperial Economic Policy, p.179.

4. CAB 24/227, CP-21(32), Report of Agricultural Policy Committee, 14 Jan.1932.

5. CAB 24/225, CP-324(31), Report of the Inter-Departmental Committee on the Proposed Imperial Economic Conference, 15 Dec.1931

Many Conservatives were attracted to three-tiered tariffs offering "Preferential", "Most-Favoured-Nation", and "General Rates".<sup>1</sup>

The Cabinet noted the reports from the Ottawa Committee and Agricultural Policy Committee, but it never approved their provisions in respect of tariffs. As the Import Duties Bill was then in draft, it was decided after much consideration to grant preferences in the Bill, but only until 15 November 1932, so that if the Ottawa Conference did not produce meaningful concessions, then these preferences would lapse. The Bill imposed 10% duties on flour, butter, aluminium, lead, and zinc, and left free entry for meat, wheat, and copper, all of which were to figure prominently in discussions at Ottawa.

Early in December 1931 the Ottawa Committee had begun the process of preliminary negotiations, sending each Dominion a schedule of goods on which Britain would like tariff concessions, and proposing explanatory talks of a non-committal nature.<sup>2</sup> Only in non-ferrous metals did these negotiations move the Empire countries towards agreement. They did not help the UK decide its own policies, or choose between several courses its delegates might follow. However, the question of meat was thoroughly explored, showing that the four major Dominions, Canada, Australia, New Zealand, and South Africa, considered it of great importance, but the government did not produce a policy or clarify what concessions might be offered. The Russian trade question had a similar fate.

Officials did their best to lay out alternatives and to clarify issues, but the politicians were uncommitted except in respect of desiring tariff reductions. However, for several ministers, especially for those connected with home agriculture, even this commitment was weak. Generally, ministers

1. Drummond, Imperial Economic Policy, pp.176-7.

2. For the full details of these talks see Drummond, Imperial Economic Policy, pp.186-218.

wanted to reduce tariffs in the Empire, not raise them against foreign goods, yet most Dominions could not reduce tariffs, for even if these were not protectionist, they provided revenue. The hopes of Chamberlain and Thomas that the Conference would ratify agreements already completed were disappointed, and the British delegation sailed without clear, coherent, or acceptable proposals. It met the Dominions at Ottawa almost immediately after discussions with America at the Lausanne Conference, which after processing at Geneva, resulted in the League of Nations' calling for a World Monetary and Economic Conference for 1933. No one at Ottawa considered the possible interaction between Lausanne, Ottawa, and a prospective world gathering. After Empire trade and Empire money had been tidied there would be time enough to consider world money and trade.<sup>1</sup>

The uncertainties and intricacies of the Ottawa Conference are fully described by Drummond and need not be discussed in detail here.<sup>2</sup> The real work was done not in the general committees that were established, but in the negotiating sessions at which bi-lateral trade issues were resolved, and which were enshrined in the Ottawa Agreements Act, 1932. For Canada, the important issues were wheat, timber, and Russian trade; for Australia, New Zealand, and South Africa what mattered most were meat, dairy produce, and fruit. All the Dominions had some interest in a variety of lesser foodstuffs.<sup>3</sup>

All the demands in respect of such produce were more or less traditional. Canada had wanted Britain to tax foreign wheat since 1902, and Australia had wanted duties on foreign meat and processed fruit since 1921. Russian dumping of grain and her irregular export surpluses had been on the agenda since 1930. British governments could not easily accept meat or wheat duties and many minor foodstuffs had also been sensitive issues.

1. Drummond, Imperial Economic Policy, pp.216-8.

2. Ibid. pp.219-99.

3. Ibid. p.253. In 1932 the Empire sent 51.7% by value of all grain and flour imports, 21.2% of meat, 49.9% of dairy produce, and 47.0% of all agricultural produce, Tables GP.II and GP.IV.

Hence, most of Britain's delegates hoped to extract the maximum concessions for their own industrial exports while raising their own food duties as little as possible. However, British agriculture needed protection from the Dominions as much as from foreign countries.<sup>1</sup> The Wheat Act had already helped arable farmers, but other products were in a less satisfactory position, especially meat and milk. Chamberlain attempted to make the Dominions accept quantitative meat controls, although he preferred production controls. Denmark was the major competitor for dairy produce, and higher foreign butter duties, or even quotas, would help dairy farmers. Plans were already in progress for the domestic pig industry which was to be expanded under the marketing schemes behind quota protection. Thus, the emerging agrarian protectionism of the UK was as much a feature of the Conference as the established industrial protectionism of the Dominions and of India.<sup>2</sup> Initially, however, only Chamberlain, Baldwin, Hailsham, and Gilmour acquiesced in food tariffs and protection, while Runciman and Thomas were more inclined to oppose such measures.

The most important decisions taken at Ottawa relating to agricultural commodities were in respect of meat and dairy produce. After intense discussions Britain fought off Antipodean pressures for a meat duty but did agree to import quotas, these being made acceptable to the British delegation by Chamberlain who found them similar to his proposals for production controls.<sup>3</sup>

The Dominions accepted the British delegation's meat policy which was designed to secure the development of domestic meat production and allow the Empire a rising share of the import trade. Thus it was agreed that foreign chilled beef imports, principally from Argentina, Uruguay, and Brazil, were to be restricted from January 1933 to the levels of the Ottawa Standard Year

1. For the value of produce imported see Tables GPI-V. Quantities and prices of imported produce are presented in the tables included in the produce chapters.

2. Drummond, Imperial Economic Policy, pp.253-4.

3. Ibid. pp.264-5.

(the OSY was July 1931 to June 1932, generally a period of high Dominion imports), while foreign frozen beef, veal, mutton, and lamb were to be cut in quarterly 5% stages down to 65% of the OSY level by mid-1934, where they would be stabilized until the Agreements expired in December 1937. Dominion meat consignments for 1933 were largely stabilized around the OSY levels, except for increases in frozen beef and Canadian bacon supplies, giving the Empire a rising share of the imported meat market. The Antipodean Dominions undertook to limit their sheepmeat exports to OSY levels during 1933 and to ensure that their future frozen beef exports would not exceed 110% of the OSY. Britain agreed not to impose quotas on the Empire until July 1934, and not to impose duties until July 1936. She was thus unable to regulate Empire meat imports from January to June 1934, and thereafter was committed to giving the Dominions an "increasing share".<sup>1</sup>

Only Canada and Australia were significant wheat exporters, and Canada managed to obtain a foreign wheat duty. It was realized that the duty would do nothing to help Empire farmers, but Bennett had a political need for a concession here, and the UK delegation understood that though such a preferential duty would divert trade it would not hurt British consumers, although it was embarrassing for free-traders and helped to fasten a protectionist label to the Conference.<sup>2</sup>

Australia and New Zealand were also concerned with dairy produce and fruit. They wanted quotas on foreign butter, the prohibition of foreign apples, seasonal duties on citrus fruit, and higher duties on cheese, fresh and canned fruit, poultry, honey, and dried fish.<sup>3</sup> In December 1931 the

1. Ottawa Agreements Act, 1932.

2. Drummond, Imperial Economic Policy, pp.266-8. Because of the inelastic nature of demand for bread, the price of wheat in the domestic market depended overwhelmingly upon the supply, and hence the duties had little impact upon prices.

3. Ibid. p.269; CAB 32/103, O(UK)(32)2, U.K. Market for Dairy Produce (Butter), 25 July 1932, and O(UK)(32)4, U.K. Market for Fruit, 28 July 1932.

Cabinet's Ottawa Committee had recommended various concessions on these, and hence the Antipodes gained higher butter and cheese duties although foreign supplies were not restricted. South Africa gained new duties on flat white maize and preserved fruit (also helping Australia), but the new butter, cheese, honey, and fruit duties were lower than those the Dominions had jointly requested, and several goods, particularly poultry and some fruits, were left untaxed despite Dominion wishes. Unlike the wheat duty these tariffs were definitely price raising in the UK and harmed foreign countries, especially the US, Denmark, and other Baltic states.<sup>1</sup> All the Dominions were guaranteed free and unrestricted entry for three years for eggs, poultry, butter, cheese, and dairy produce. Thereafter the UK might impose duties or quotas.

Finally, the UK promised the Dominions not to reduce a large range of existing foreign duties, as well as giving them free entry for all items dutiable under the Import Duties Act. This binding of duties and margins was a natural recompense for the Dominions' commitments with respect to guaranteed margins, but this "conventionalization" was later attacked for limiting Britain's freedom to negotiate tariff reductions with foreign countries. Nevertheless, it did not initially significantly impede bargaining power, and favourable trade agreements were subsequently made with Denmark and the Baltic States. In addition, the Antipodean Dominions soon tried to produce themselves out of bankruptcy and British farmers began to complain of falling milk product prices, but given New Zealand's desperation and Australia's combativeness Britain was unable to retreat from the free entry agreed at Ottawa and allowed under the Import Duties Act.<sup>2</sup>

1. See Drummond, Imperial Economic Policy, pp.270-1; Ottawa Agreements Act, 1932. In the short run, the ruling British price would be the world price plus the duty on foreign goods. However, because the duties would be shifted backwards, the British price would not rise by the full amount of the new duty. Until Empire production rose relative to foreign exports, the Empire's export prices and sterling earnings would be raised, as would their internal prices under competitive conditions. But in Australia nearly a decade of regulation had severed the link between the domestic and export markets.

2. Drummond, Imperial Economic Policy, pp.271-3.



To the Ministers in the Ottawa delegation, to Chamberlain, Hailsham, and even Thomas and Runciman, the Ottawa bargains seemed necessary to cement unstable trading relationships with the Dominions, and were the best agreements available in the circumstances.<sup>1</sup> The attempts to retard Dominion protectionism were unsuccessful and preferences were established for British manufactures often by raising the duties on foreign goods, although several Dominions undertook to use Export Commissioners to review and mitigate their tariffs. Britain agreed to the free entry for five years of the important Dominion exports, mostly meat, wheat, and dairy produce, and the Dominions benefited from the establishment of preferential margins.<sup>2</sup> However, the importance of the Conference for agricultural policy was that the absence of duties on Dominion produce, conventionalization, and the guarantee of an expanding market share, made it much more difficult to protect domestic agriculture without ruining trade relations with Empire and foreign suppliers.

The Ottawa Agreements were offensive not only to free traders, but to the USA and major European and foreign trading countries, especially since they were of five years' duration and there was the prospect of a World Economic Conference in the spring at which it was hoped that a comprehensive set of tariff reductions would be forthcoming. The rationale of the National Government, before and after Ottawa, was that it established a more secure and complementary pattern of trade within the Empire, which would create better world trade and prosperity. Following Ottawa, more of the world's trade took place between Britain and the Empire, and it was here that much of the recovery from depression occurred.<sup>3</sup> In the three years after 1932 Britain's exports to countries with which it made the Ottawa or subsequent agreements increased 25% in value, compared with a very small percentage

1. The agreements were too offensive to Snowden and the Samuelite Liberals who had remained uneasily in the protectionist Cabinet under an "agreement to differ", and they resigned from the government.

2. Eyers, 'Overseas Trade Policy', p.3.

3. However, this trend had been noticeable in 1870-1900, in the 1910s, and part of the 1920s.

with other countries which was roughly equivalent to the aggregate increase in world trade.<sup>1</sup> However, the limitations imposed by Ottawa on further agricultural protection were to have important consequences for domestic agricultural policy in the 1930s.

The Agricultural Marketing Act and Import Regulation, 1932-3

When the government announced its agricultural policy on 11 February 1932 it acknowledged the need for the regulation of imports to accompany the agricultural marketing schemes.<sup>2</sup> This question was of greatest importance in respect of plans for bacon as the Lane-Fox Committee emphasized in October,<sup>3</sup> but was also important for milk products. The 1931 marketing legislation was now acknowledged to be insufficient, for the reasons that the NFU had originally pointed out in 1930. It gave the basis for long-term planning when immediate tangible aid was required, and called upon domestic producers to undertake the new and difficult task of marketing reconstruction without the assurance that the market would be protected against unrestricted supplies of cheap imports. The Act was used only to establish a scheme for hops, a product where imports were negligible, and the initial response for other commodities such as milk, bacon, and fatstock was hesitant and directed towards products such as potatoes where imports were not a major consideration.

It was realized that producers required to be assured that import regulation would form part of any supply regulation in which provision might be made for the marketing or planned expansion of home production. Consequently, in February 1933, the Cabinet considered a draft bill from Walter Elliot, the new Minister of Agriculture, to meet this situation.

1. Annual Statements of the Board of Trade; Drummond, Imperial Economic Policy, pp.286-7; Eyers, 'Overseas Trade Policy', pp.4-5.

2. Hansard, Vol.261, 11 Feb. 1932, Cols. 1029-1034.

3. Econ. Ser. No.37, Report of the Reorganization Commission for Pigs and Pig Products, 1932.

It allowed for the regulation by order of any imported agricultural or secondary product where marketing reorganization would otherwise be impeded.<sup>1</sup> Elliot's belief in quantitative regulation was an integral part of his idea that it was necessary to organize home producers to bring efficiency and stability to a fluctuating industry. Elliot was convinced that the marketing schemes would only succeed if accompanied by the control of the supply of domestic and imported foods. Thus the Bill also allowed for the direct regulation of domestic production and output and the establishment of a Market Supply Committee to advise ministers on these points. In addition agricultural development schemes were proposed for the control of secondary agricultural produce such as bacon, hams, and manufactured milk. The Agricultural Marketing Act, 1933, was passed in July, and was followed by an Agricultural Marketing (No.2) Act in December which allowed loans to be made to the boards and contained other minor financial provisions.<sup>2</sup>

As a result of this legislation marketing schemes for three more products were put into operation and the powers of the 1932 Hops Marketing Scheme were extended. It now gained control over the acreage of hops grown and was able to stabilize returns at remunerative levels. The 1933 Potato Marketing Scheme had similar success by regulating the marketable size of the product and by checking expansion. The 1933 Milk Marketing Scheme, Scottish Milk Marketing Scheme, and Aberdeen and District Milk Marketing Scheme, and the 1934 North of Scotland Milk Marketing Scheme, maintained milk prices by concentrating on the liquid market and manufacturing or otherwise controlling milk surpluses. However, the 1934 Pigs Marketing Scheme became preoccupied with trying to overcome difficulties inherent in its expansionist structure, the 1934 Bacon Marketing Scheme was largely a

1. CAB 23/75, Cabinet Meetings, 22 Feb, Conc.6, and 1 March 1933, Conc. 2; CAB 24/238, CP-38(33), Draft Agricultural Marketing Bill, 17 Feb. 1933.

2. CAB 23/77, Cabinet Meeting, 15 Nov. 1933, Conc.10, HA-23(33).

piece of negotiating machinery, and the 1938 Bacon Development Scheme had achieved little by 1939. The pig schemes attempted to increase domestic production in the face of severe import competition, and these schemes fell into abeyance in 1937 and 1938. Despite import controls, they did not enjoy the same degree of success which attended the schemes for hops, potatoes, and milk, where the principal problem was the management of a domestic surplus.<sup>1</sup>

#### International Trade Agreements and Agricultural Protection, 1932-4

Whilst domestic reorganization was still in progress, the general tariff and the Ottawa Conference had brought pressure from Britain's major foreign trading partners for agreements to safeguard their trading position. Even before Ottawa the Board of Trade had decided to form agreements after the Conference with Argentina, Denmark, Norway, Sweden, France, and Germany,<sup>2</sup> and special arrangements with Denmark and other countries for the voluntary restriction of some agricultural imports had already been made in 1931 and 1932. After Ottawa, Elliot, an advocate of domestic agricultural expansion, was aroused by news of the impending negotiations and protested that plans for agricultural protection had to be determined before the claims of foreign countries were heard.<sup>3</sup> The dispute was put to the Cabinet Committee on Commercial Negotiations with Foreign Countries,<sup>4</sup> beginning a long and difficult arbitration over conflicting purposes in government policy.

This Committee, under Runciman's chairmanship and including Chamberlain, Thomas, Elliot, Simon, and Collins, decided in October 1932 to authorize the Board of Trade to proceed with foreign negotiations, despite Elliot's protest

1. The incomes attained by producers of these commodities under the schemes are depicted in Graph F.IV. See also Chapters IV-VII.

2. Eyers, 'Overseas Trade Policy', p.6.

3. CAB 23/72, Cabinet Meeting, 19 Oct. 1932, Conc.7; Eyers, 'Overseas Trade Policy', pp.6, 50-1, 100-1.

4. CAB 23/72, Cabinet Meeting, 19 Oct. 1932, Conc.7.

that an agreement with the Argentine would leave him no scope to introduce further import restriction to protect the domestic livestock industry which was complaining of falling prices and import competition. Runciman overrode him on the grounds that Elliot was talking of protection beyond that agreed or envisaged at Ottawa.<sup>1</sup> The Committee decided to give Argentina the quota guarantees and duty-free entry that she sought, but as a compromise, in February Elliot was allowed to negotiate quotas on dairy produce, eggs, and poultry with the Scandinavian countries.<sup>2</sup> This was a response to falling manufactured milk and egg prices.

Because of the difficulties of the Argentine negotiations, the Cabinet took over the Committee's decisions until agreement was reached.<sup>3</sup> Imperialists and agriculturalists were united with the recent Empire Free Trade crusade fresh in Conservative minds, with criticism of policy from Beaverbrook through the Agricultural Party, with the Empire Industries Association active, and with L.S. Amery as a severe critic. Runciman wanted an agreement with the Argentine to clear some £450m. of frozen investment dividends, and other credits were also at stake. Failure with Argentina would also affect other negotiations, which Elliot feared would mean no room for further restriction of the domestic market, until Chamberlain suggested restricting Argentine supplies subject to all meat shipments being reduced if Argentine shipments were cut by more than 10%. This would also make it possible to restrict all overseas supplies by future negotiations between Britain, the Dominions, and Argentina.<sup>4</sup>

1. CAB 23/73, Cabinet Meeting, 21 Dec. 1932, Conc. 11; CAB 24/335, CP-437(32), Meat Policy Negotiations, 16 Dec. 1932, For the importance of agricultural exports to Argentina's trade with the UK see Table GP.V.

2. CAB 27/489, Minutes of Second Meeting of Committee for Commercial Negotiations, 8 Feb. 1933.

3. CAB 23/75, Cabinet Meetings, 15 March 1933, Conc. 3, 12 April 1933, Conc. 4; CAB 24/239, CP-65(33), State of Argentine Meat Negotiations, 10%, 14 March 1933; CP-66(33), State of Argentine Meat Negotiations, 15%, 14 March 1933; CAB 23/76, Cabinet Meeting, 3 May 1933, Conc. 5; CAB 24/240, CP-115(33), Produce Markets Supply Situation, 28 April 1933; CAB 24/242, CP-199(33), Position of Argentine Tariff Negotiations, 27 July 1933.

4. CAB 23/75, Cabinet Meeting, 15 March 1933, Conc. 3; CAB 24/239, CP-65(33), Argentine Meat Negotiations, 10%, 14 March 1933.

The Cabinet strongly supported Runciman's trade agreement policy with the concessions to Elliot's objections devised by the Treasury and imposed by Chamberlain. Agreements were made with Denmark in April, with Argentina, Sweden, Norway, and Iceland in May, and Runciman's programme for negotiations with Holland, Spain, Poland, Uruguay and other smaller countries was approved.<sup>1</sup> Finally in September 1933 a Supplementary Argentine Agreement was signed on the terms discussed in March.<sup>2</sup> The terms of the Ottawa Agreements set the limits for the Argentine Agreements, which were the most important in terms of agricultural policy, although Ottawa also affected the other negotiations, including the treaties signed in 1934 with Brazil and Uruguay.<sup>3</sup>

The failure of the World Monetary and Economic Conference, which met in June and July 1933, ended tentative plans for a re-stabilization of currencies, intended to remedy the disorder of the international monetary exchange that had followed Britain's abrogation of the gold standard. Runciman's hopes for a tariff truce were also disappointed. Although one had been framed at the 1927 World Economic Conference it had met with numerous breaches and even as late as 1930 it had been ratified by only seven countries (including Britain), and by 1933 it was only grudgingly adhered to for the period of the Conference.<sup>4</sup> The Cabinet had decided in April and May that the tariff increases still due under the Ottawa Agreements on foreign eggs, poultry, and bacon, would have to be made despite the truce.<sup>5</sup> Elliot

1. CAB 23/75, Cabinet Meeting, 12 April 1933, Conc.4; Eyers, 'Overseas Trade Policy', p.52; Convention between the UK and Argentina, 1933, Cmd.4492, 1933; Agreement between the U.K. and Norway, 1933, Cmd.4500. 1933; etc.

2. Supplementary Agreement, 1933, Cmd.4494, 1933. For the terms of this treaty see Chapter IX.

3. See MAF 40/86, Anglo Uruguayan Trade Agreement, 30 June 1934.

4. A similar fate befell attempts to regulate world primary production at the International Wheat Conference, 1931, the Conference of Wheat Exporting Countries 1933, the International Sugar Agreement of 1929, the Chadbourne Agreement, 1931, and a conference in London in 1934 intended to regulate sugar, and resulting from the International Monetary and Economic Conference.

5. CAB 24/240, CP-115(33), Produce Markets Supply Situation, 28 April 1933, CP-118(33), Monetary and Economic Conference, US Tariff Truce Proposal, 2 May 1933; CAB 23/76, Cabinet Meeting, 3 May 1933, Conc.5; Eyers, 'Overseas Trade Policy', pp.17-18, 33.

and his advisors favoured the regulation of depressed agricultural produce to stimulate demand and raise agricultural incomes, and the Monetary and Economic Conference did endorse the principle of supply regulation to raise prices.<sup>1</sup> No method was found to restore international trading credit and each country had to accommodate itself to a greater degree of self-sufficiency whilst trade gradually restored itself. Britain, however, differed from Germany, Italy, France, Russia, and others, in never acknowledging a national policy of self-sufficiency. Admittedly the Ottawa Agreements were measures of that kind, although limited, but with the qualification that Britain had as its policy the restoration of international trade without sacrifice of her own interests.<sup>2</sup> Runciman still proposed to Chamberlain and Elliot a maximum British tariff of  $33\frac{1}{3}\%$ , but it died in inter-departmental discussion, Elliot believing that several agricultural products would require exemption in any case.<sup>3</sup>

The Management of Agricultural Trade Policy and the Emergence of the Levy-Subsidy Idea, 1933-4

By 1933-4 the four main elements of the National Governments trade policies were appearing : tariff protection for domestic industry, export expansion through reorganization and trade agreements, imperial preference to secure and develop intra-imperial trade, and bi-lateralism to deal with the turbulent international situation.<sup>4</sup> The problems of agricultural trade policy came from the need to reconcile three conflicting commitments. The Ottawa Agreements gave the Dominions tariff preferences, free entry for many

1. MAF 40/10, Memo on the Policy of Regulation of Supplies as a Subject for Consideration at the Monetary and Economic Conference, 14 June 1933.

2. Eyers, 'Overseas Trade Policy', pp.18-19.

3. CAB 23/77, Cabinet Meeting, 2 Nov. 1933, Conc.10; CAB 24/244, CP-251(33), Question of Withdrawal, 1 Dec.1933.

4. Eyers, 'Overseas Trade Policy', p.20.

goods, and an expanding share of the UK market. Bi-lateral trade agreements with the major foreign food supplying countries in 1933-4, especially Argentina and Denmark, gave some fixed and conditional guarantees of access to the British market. Finally, the extension of the 1931 Marketing Act provided for import restriction to aid domestic prices conditional upon domestic reorganization, especially for dairy produce and pigmeat, these being partially covered by the trade agreements.<sup>1</sup> Such an approach called for continual discussion and compromise, and eventually certain kinds of overall review, such that domestic agricultural policy related in a very large measure to this framework of import controls. However, at Cabinet level five years passed without the government's overall aims being clarified or new guiding principles being fashioned.

From January 1933 the IDAC's recommendations and trade negotiations on tariff matters could be dealt with between the Board of Trade and Treasury, or their heads, and it was only in agricultural import matters, where the IDAC played very little part and the agricultural departments had a larger say, that disputes were taken to Cabinet or Cabinet Committees. There soon became a need for a regular body to discuss agricultural import questions, since these formed a major part of overall import policy and were of crucial importance for many depressed domestic agricultural products.<sup>1</sup> This need was also brought about by inter-departmental disputes. The Board of Trade was determined to prevent the Ministry of Agriculture from holding sole responsibility for the negotiation and administration of its voluntary import quota schemes for meat, bacon, milk, eggs, poultry, potatoes, hops, and fish, which as effective systems of price control were more powerful than tariffs.<sup>2</sup> Consequently in October 1933 the Ministry was compelled to <sup>consult with</sup> ~~take~~ the Board ~~into consultation~~ in the negotiation and administration of all its

1. Ibid. p.49.

2. These had been negotiated by the Ministry on a voluntary basis with overseas suppliers during 1932-3, See Chapters IV-VII.



regulation schemes.<sup>1</sup> The Dominions Office worked in conjunction with the two departments, the Treasury had an occasional role and was generally supervisory, while the Foreign Office monitored proceedings through the Board of Trade. The President of the Board of Trade usually had the chairmanship of the Cabinet's agricultural trade committees, and consequently retained the overall initiative.

The Board of Trade's anxiety also ended proposals that the Markets Supply Committee (established by the 1933 Agricultural Marketing Act) become an expert agricultural IDAC chaired by Linlithgow. The Board argued that these functions already belonged to the departments involved and that the difficulties of agricultural import regulation had become political and constant. Consequently Elliot pressed for a Cabinet Committee to have special consideration of agricultural import problems, and this resulted in the Cabinet forming the Produce Markets Supply Committee (PMSC).<sup>2</sup> This came also as a result of farmers complaining of declining fortunes from beef, bacon, and dairy produce, the prosperity of which was considered to be linked with imports, and for which tighter quotas or levy-subsidies were proposed that had not been envisaged at Ottawa or in the subsequent bi-lateral agreements.

The PMSC soon became a semi-permanent Cabinet sub-committee responsible for these issues of food planning, and met nineteen times from December 1933 to June 1935. Chaired by Baldwin, it included Chamberlain, Elliot, Runciman, Thomas, Simon, Gilmour, Collins, Irwin, Ormsby-Gore, Hailsham, Cunliffe - Lister and various departmental officials, and operated with remarkably few references to full Cabinet. It ran the short-term, half-yearly, and quarterly, programme of meat import control, and under Chamberlain, Elliot, Runciman, and Baldwin's guidance developed an import protection

1. MAF 40/53, Letters, Carlill to Street, 3 Oct. 1933, Reply, 18 Oct. 1933, Carlill Memo, 18 Oct. 1933, Hodgeson to Fountain, 3 Nov. 1933; Eyers, 'Overseas Trade Policy', pp. 54-5.

2. CAB 23/77, Cabinet Meeting, 29 Nov. 1933, Conc. 7; CAB 24/244, CP-278(33), Situation of Produce Markets, 24 Nov. 1933.

programme which slowly came to appear essential. It was also the first body to elaborate levy-subsidy proposals.<sup>1</sup>

From the end of 1933 Elliot, aided by Chamberlain and the economists of the EAC, began urging his colleagues to extend the levy-subsidy idea enacted for wheat to new commodities, and between December and June several important ministers came to approve these ideas as he had demonstrated that there was no other politically feasible way to raise prices sufficiently for producers without also injuring consumers, and that levy-subsidies could be used as a permanent policy for what was no longer a temporary crisis. Chamberlain strongly favoured them for meat, arguing that the Dominions would prefer levy-subsidies to massive restriction; and Runciman was converted once he believed that restriction, even if feasible, could not raise prices sufficiently.<sup>2</sup> On 13 June, the PMSC endorsed the principle,<sup>3</sup> and trade negotiations were then angled towards producing such schemes for a variety of products.

The PMSC's first task in December 1933 was to consider the problems facing the milk marketing boards. These had begun to stabilize milk prices by operating a pooling system whereby most milk was sold in the liquid market at a remunerative price, although the average milk price, or pool price, was reduced by the low prices fetched by the surplus milk sold for manufacture.<sup>4</sup> Factory milk prices had reached record low levels in 1933 owing to exceptionally heavy imports, mostly of Australian and Canadian

1. Drummond, Imperial Economic Policy, p.328. Levy-subsidies were payments to home producers derived from a low duty on a large volume of imported produce. This was the principle upon which the 1932 Wheat Act was founded.

2. Drummond, Imperial Economic Policy, p.333.

3. CAB 27/560, PMSC(33), 7th Meeting, 12 June 1934.

4. See Chapter V; Tables M.I and M.IV.

butter and cheese, and a butter price crisis was expected in March-April 1934. Consequently farmers' pool prices were further endangered. The principal foreign suppliers had agreed to voluntary quotas on milk products in the summer of 1933, but these were insignificant compared with Dominion consignments of 90% of all cheese imports and 55% of all butter imports.<sup>1</sup> Under the Ottawa Agreements Dominion milk produce supplies could only be regulated by voluntary arrangements and had been guaranteed unlimited free entry for three years (and five years for Canada).<sup>2</sup> The PMSC was unsuccessful in its attempts to arrange voluntary Dominion quotas,<sup>3</sup> and hence nothing could be done until August 1935 when the UK might impose either duties or restriction according to the Dominions' preference. Little assistance was offered by the foreign duties imposed in 1932, mostly 10% ad valorem under the Import Duties Act, and the 1933 Anglo-Danish Trade Agreement had subsequently frozen butter duties until June 1936 and fixed a minimum quota. Britain was now becoming aware of the difficulties of trying to reconcile the claims of home producers, the Dominions, and foreign suppliers, where treaty obligations limited her freedom of action.

Consequently, the PMSC drew up a temporary subsidy scheme which was approved by Cabinet and announced to the Commons in February, before being publicized in a White Paper and enacted in July as the Milk Act.<sup>4</sup> This was to grant repayable Exchequer advances until March 1936, in order to provide secure prices to the English and Scottish Milk Marketing Boards in respect

1. Annual Statements of the Board of Trade.

2. MAF 52/5, TD 3090, Notes on the Milk (Extension and Amendment Bill), 1938, p.3.

3. For the details of these negotiations see Drummond, Imperial Economic Policy, pp.317-27:

4. CAB 23/78, Cabinet Meeting, 21 Feb. 1934, Conc.6 (a); CAB 24/247, CP-47(34), Report on the Milk and Milk Products Situation, 16 Feb.1934, pp.1-2; Hansard, Vol.286, 22 Feb.1934, Cols. 500-4; Milk Policy, Cmd.4519, 1934; Milk Act, 1934.

of milk sold for manufacture. The Act also provided up to £<sup>3</sup>m. over four years to launch a campaign for purer milk, and permitted the payment of contributions on a £. for £. basis with the milk boards for two years to a Milk Publicity Fund, contingent upon milk being made available to certain classes of consumers at reduced prices. It was acknowledged that it would be some time before the country would consume as much liquid milk as it was likely to produce, and the Act was intended as a temporary measure of assistance on the assumption that the boards would become self-supporting once overseas negotiations were completed which would allow the introduction of a levy-subsidy scheme for manufactured milk.<sup>1</sup>

Almost before the decisions had been taken in respect of milk, meat producers began to complain of price problems. These occurred once the voluntary Dominion quantitative regulation which was agreed at Ottawa expired in June 1934 and Britain recovered her freedom to regulate meat shipments. However, negotiations with the Dominions and Argentina were suggested to Cabinet as late as 19 June.<sup>2</sup> The Cabinet approved discussions, initially only with the Dominions, but "on the widest possible basis",<sup>3</sup> and the PMSC negotiated for a duty for a levy-subsidy. Chamberlain believed that they would not agree, in which case no duty could be imposed until August 1937.<sup>4</sup> The Ottawa Agreements and Anglo-Argentine Agreements precluded extensive import regulation, yet cattle prices were continuing to fall. Because it was believed that two years of low beef prices had placed

1. CAB 23/78, Cabinet Meeting, 21 Feb. 1934, Conc.6.

2. CAB 23/79, Cabinet Meeting, 19 June 1934, Conc.6.

3. Ibid.

4. CAB 23/79, Cabinet Meeting, 11 July 1934, Conc.7.

the cattle industry in a depressed position, emergency legislation was proposed.<sup>1</sup> Cabinet discussions resulted in a statement from Elliot to the Commons in July which was published as a White Paper, intended to influence the Dominions as much as to reassure farmers at home.<sup>2</sup> He proposed as a long-term policy the alternatives of quantitative restriction, levy-subsidy plans with restricted entry, or a combination of levy-subsidy plans with milder restriction. In the meantime the Cattle Industry (Emergency Provisions) Act was passed at the end of June. As with milk, the grants to fat cattle producers were to be repayable with funds from a future levy-subsidy scheme to be established before the expiry of the Act in March 1935. However, negotiations with the Dominions and the Argentine aimed at securing a workable levy-subsidy or import control scheme for meat and milk continued into 1935.<sup>3</sup>

Meanwhile, the government had had to face the situation which arose as a result of the expiry in September 1934 of the 1925 British Sugar (Subsidy) Act's provisions. Because the Greene Committee of Inquiry, established in 1932, had not reported on a sugar marketing scheme, it was decided as a temporary measure to extend the subsidy for one year,<sup>4</sup> and this was done through the British Sugar (Subsidy) Act, 1934. At the same time the plans for expansion under the Pigs and Bacon Marketing Schemes were beginning to face difficulties and poultry producers and horticulturalists were also beginning to complain of low prices.<sup>5</sup>

1. Ibid. CAB 24/50, CP-182(34), Import of Meat from Dominions and Argentine, 5 July 1934; CAB 24/250, CP-187(34), Cattle Industry (Emergency Assistance) Bill, 10 July 1934.

2. Hansard, Vol.292, 11 July 1934, Cols. 321-4; The Livestock Situation, Cmd.4651, 1934.

3. See Drummond, Imperial Economic Policy, pp.333-9.

4. CAB 23/78, Cabinet Meeting, 21 Feb. 1934, Conc.9.

5. Graph F.IV; Appendix II.

Government Review of Agricultural and Trade Policy, 1934/5

By mid-1934 the government believed that British farmers were still in need of price support. It considered that the agricultural crisis could no longer be regarded as temporary, that although long-term plans had been proposed they had not been fully examined, and that only temporary measures of assistance were in operation. It was realized that a review of the situation was necessary to determine and co-ordinate agricultural and commercial policies. The reviews undertaken in the winter of 1934/5 were the first attempts to examine the broad questions of agricultural protection and the first formal discussions of the post-Ottawa policies. They were succeeded by initiatives within the government in the hope of altering some of the effects of the post-Ottawa trade structure, which were not made public.

The need for a review also arose from the intensification of appeals from overseas to know the future protective position of the UK, from pressure at home for a policy of agricultural expansion, and the need to reconcile agricultural and trade policy. The Argentine negotiations over meat imports had created disquiet in the Dominions because of the erosion of the "expanding share" principle,<sup>1</sup> and foreign countries feared that the restriction threatened in the 1934 White Paper would reduce their largest agricultural market — a very real threat in view of growing continental protection. Also Elliot was hoping for a restoration of 1930 levels of prices and production, which pointed to a greater level of self-sufficiency.<sup>2</sup> Agricultural expansion was regarded favourably by many agriculturalists, Conservatives, Liberals, and some Labour MP's interested in the provision of smallholding for the unemployed. The National Government was thus not just concerned with restraining Elliot, but intelligently facing much wider beliefs that the expansion of agriculture would aid the economy and reduce

1. The agreement with the Argentine had required that if Argentine supplies were cut by more than 10% then all imports had to be reduced.

2. This was as measured in terms of acreages and stock numbers.

unemployment.<sup>1</sup> In contrast, the Board of Trade and organizations like the Federation of British Industries were concerned with the results of import restriction on the export trade, and called for domestic agricultural policy to be reconciled with trade policy, self sufficiency, and Dominion and foreign trade agreements.<sup>2</sup> Hence MacDonalld called the committee on Economic Information (CEI) to undertake a review and provide a report by September,<sup>3</sup> when its findings would be investigated by an inter-departmental committee under Leith-Ross.<sup>4</sup> In addition the Ministry of Agriculture and other departments also undertook their own reviews.<sup>5</sup>

The CEI had become the chief economic committee of the National Government once the EAC was discontinued in its full form, and comprised skilled and informed business men and economists connected with the government, including Leith-Ross, Henderson, and Keynes. It was engaged on the vast brief of reviewing in three months the general tariff, the IDAC, the Ottawa Agreements, bi-lateral trade agreements, and agricultural protection and reform, all against the background of the world economy.

The report produced was principally the work of Leith-Ross, who was a conventional economic liberal and free-trader opposed to tariffs and quotas,

1. Howson, S. and Winch, D., The Economic Advisory Council, 1930-39, (Cambridge, 1977), p.132; Eyers, 'Overseas Trade Policy', pp.100-1.

2. Fed.Brit.Ind., A Survey of Britain's Recent Commercial Policy, (June, 1934).

3. CAB 24/250, CP-199(34), The Economic Situation and Inter-Imperial Relations, 20, July 1934.

4. CAB 24/251, CP-272(34), Report of the Inter-Departmental Committee on the Thirteenth Report of the Committee on Economic Information, 3 Dec.1934.

5. MAF 38/69, U.K. and Empire Agriculture in Relation to Future Market Conditions, 17 Dec. 1934.

but was also partly Henderson's work.<sup>1</sup> The Report first emphasized the circumstances in which Britain adopted protection in 1931-2, and after observing that these purposes were no longer in such harmony as then, stated four main arguments.<sup>2</sup> Firstly, British and European populations were no longer expanding, allowing no scope for marketing the increase in world primary produce. Thus there would be instability until adjustment took place, and overproduction and protection might become quasi-permanent. There would not be an increase in manufactured exports to pre-War levels because primary producers had less in export earnings and had differentiated their economies, developing industries that competed with British exports and maintaining tariffs against them. Thus the government would have to acquiesce in a level of exports which was a smaller part of production than before, but needed to aim at a trade balance sufficiently in credit to resume overseas lending, although also at a lower level than pre-War. However, it was desirable to raise exports above 1934 levels through new lines of exporting industry in order to supply a more sophisticated demand for consumer goods, and by forming more secure trading links with the Dominions and South Africa than were available in Europe.

Secondly, it was argued that there were limits to the advantages of protection. It was necessary to maintain the efficiency and exposure to competition of British industry, and to keep down the cost of living because of the influence of wage costs on the export sector. There was also the need to maintain sufficient sterling purchasing power abroad for British exports, and economic protection would induce retaliation.

1. CAB 24/251, CP-284(34), Thirteenth Report of the CEI, The Co-Ordination of Trade Policy, 23 Oct. 1934, also in CAB 58/30, as EAC(SC)15.

2. Ibid.; Howson & Winch, Economic Advisory Council, pp.132-3; Eyers, 'Overseas Trade Policy', pp.118-23.



Thirdly, a greater restriction of agricultural imports would exacerbate further the adjustment of primary producers and damage trading partners on whose prosperity and goodwill Britain had depended to expand exports. This was contrary to international specialization and the purchase of the cheapest food. Thus it was concluded that "a long-term policy designed to effect a progressive reduction in important food imports in the interest of British agriculture would be likely to cause a more than commensurate injury through its adverse reaction on other branches of British industry and the standard of life".<sup>1</sup> However, the Report noted that there were "naturally protected" commodities especially suited for domestic expansion — milk, eggs, poultry, fruit, and vegetables — although the opportunities for increasing output were very limited and it was illusory to suppose that agriculture could supply employment for those displaced by the declining export industries. Consequently agriculture should not be expanded.

Finally, however, it was believed that in times of severe depression the government should attempt to ensure reasonable prices for British farmers in order to maintain their financial solvency, and to avert an exhaustion of capital investment in land, the impairment of equipment, or the curtailment of production. Little mention was made of strategic arguments for protection. Agriculture should be protected against price falls, but by methods which did not encourage its expansion. Quotas and similar restrictions caused unnecessary harm by raising consumers' prices while not benefiting the public revenues, and yet allowed higher returns to overseas producers. It was believed that the wheat scheme provided the best principle for protection, placing a low levy on a large volume of imports to provide a suitable subsidy to a relatively small domestic output. Thus the market was not restricted, British farmers gained a reasonable price, and consumers felt little effect on retail prices.<sup>2</sup>

1. CAB 24/251, CP-284(34), The Co-Ordination of Trade Policy, Para.48, p.16.

2. CP-284(34), The Co-Ordination of Trade Policy.

The Report endorsed the National Government's policy and opinion that the export sector should be re-established. It re-affirmed the goal of the trade surplus economy in the face of speculation on self-sufficiency. Employment in Britain could recover fully only when world economic conditions recovered and the export sector flourished. The existing methods of agricultural protection and policy were criticized and the alternative supported. Although the Report considered the effect on exports of further agricultural import restriction, it avoided a decision on the desirable level of import-substituting industry and limits to tariff protection.<sup>1</sup> Equally, Keynes pointed out the limitation of the brief and of the Report in not considering future foreign exchange policy in relation to relative domestic and overseas costs, future policy towards foreign lending, measures of recovery of world trade, and possible reductions by negotiation of existing restrictions on imports at home and abroad.<sup>2</sup>

Not surprisingly, since it was under Leith-Ross's chairmanship, the Inter-Departmental Committee endorsed this Report.<sup>3</sup> This body included senior officials of the Board of Trade, Treasury, Ministry of Agriculture, Dominions' Office, and Foreign Office, and this was the first time that such men were asked to review these subjects. The Committee wanted the IDAC to resist pressure from the Empire Industries Association and others for higher tariffs on manufactured imports, and to see a broader economic perspective. It also noted that Britain's exchange position was stronger than when the IDAC had commended developing protection, and it concluded that "stabilization" of existing agriculture was desirable, although this was not defined in terms of production, acreage, or employment. While Elliot still

1. Eyers, 'Overseas Trade Policy', pp.116, 123-4.

2. CAB 58/17, CEI Meeting, Interview between Chairman and Minister of Agriculture, discussion of 13th and 14th Reports, 23 Oct. 1934.

3. CAB 24/251, CP-272(34), Co-Ordination of Trade Policy, 3 Dec.1934.

wanted an expansion of naturally protected areas, Leith-Ross and others were opposed because this would still mean some restriction of imports. The Committee however, did recommend the extension of levy-subsidies to bacon as well as to meat.

The Report's discussions of agriculture were of great importance in terms of the evolution of agricultural policy. It was considered necessary to assist agriculture in depressed conditions. The important principle was that government support of the home producer by direct specific assistance was fundamentally preferable to both the indirect methods of tariffs and quotas. Tariffs were not widely available under trade agreements and were considered to place much of the burden of higher prices on the consumer. The government had originally believed that quantitative restriction might be coupled with production constraint agreements and might thus be welcomed by overseas countries for whom they would raise sterling earnings. However, the government's experience had been that quotas caused harm to commercial relations and proved objectionable to consumers. The trade treaties did not allow further import reductions, and this made domestic expansion and protection difficult. Thus the government might use a specific subsidy, funded or supported by a levy, and if no levy could be obtained, then a direct Exchequer payment might be offered. It was hoped that if Britain offered to refrain from imposing quotas, she might gain a duty for a subsidy, although it was also thought that it might prove politically impossible to obtain a meat import levy and that a direct subsidy would have to be used.<sup>1</sup>

The arguments continued in Cabinet reports and in the PMSC but were not formally concluded, and returned to focus on discussions of immediate problems for particular agricultural industries and their relation to treaty obligations. The important results of the analysis were tacitly accepted and appeared in the details of discussions and policy, but the larger questions of the co-ordination of agricultural and commercial considerations were left unsettled. The Ministry of Agriculture, and to some extent the Dominions Office too, were opposed to the government foregoing quotas

1. Ibid.

altogether.

The PMSC was asked to consider two reports in December 1934 centering on the expansion of agriculture, in effect the cattle and bacon industries, which were proving the most troublesome part of agricultural and trade policy.<sup>1</sup> Elliot asked for permission to prepare the outlines of a levy-subsidy scheme for each commodity<sup>2</sup> and had had his officials undertake a review<sup>3</sup>. While the Ministry's Report argued optimistically that a 10% increase in farm production might raise employment by 90 000 men,<sup>4</sup> the Board of Trade argued that the required restriction of imports would reduce exports by the same amount, involving the loss of 150 000 jobs. The increase envisaged would effect Lithuanian, Danish, Hungarian, Polish, Chinese, Uruguayan, Netherland, and Argentinian trade, in that order, and risk retaliation and political change, and the Board argued that the revival of world trade offered the best chance of recovery.<sup>5</sup>

As a result of the review during December-January 1934/5 established assumptions were allowed to harden: that there was no scope for the increased consumption of agricultural produce, and that increased domestic production would require increased restriction which would cause a corresponding reduction of exports, a net loss of employment, and be harmful to foreign relations.<sup>6</sup> Elliot's and Collin's claims that an expansion of

1. CAB 27/560, PMSC 12th and 13th Meetings, 17 and 18 Dec. 1934; MAF 38/69, U.K. and Empire Agriculture in Relation to Future Market Conditions, 17 Dec. 1934; MAF38/70, The Possibilities of Expansion of U.K. Production of Agricultural Commodities, 18 Dec.1934.

2. MAF 38/71, Possible Application of the Levy-Subsidy Principle to Certain Groups of Agricultural Commodities, Memo by the Minister of Agriculture to the PMSC, Jan. 1935.

3. MAF 38/70, The Application of the Levy-Subsidy Policy, R.R.Enfield, 7.1.35.

4. MAF 38/69, U.K. and Empire Agriculture.

5. CAB 27/560, PMSC 14th Meeting, 16 Jan.1935.

6. Evers, 'Overseas Trade Policy', pp.124-38.

domestic agricultural production need not harm imports and might expand domestic trade and personal consumption failed in opposition to the strong position of the Board of Trade.<sup>1</sup> It was decisively impressed upon ministers and officials that there was to be no large expansion of domestic agriculture, and instead, the concept of the "steady state" agricultural and commercial policy was produced. The CEI's ideas provided immediate solutions for ministers' problems, and the significant advance was that the previous winter's levy-subsidy proposals were nearer to fitting the political realities of the trade treaties and negotiations.

Although no public statement was made concerning the opposition to agricultural expansion, increasingly as measures were introduced it was stipulated that no substantial increase in output was to take place, excepting for bacon, although there was an ambiguity in respect of meat and possibly milk.<sup>2</sup> The effects of the review began to appear in statements for the 1935 General Election countering Lloyd George's "New Deal". This was a ten-year programme for the large-scale settlement of  $\frac{1}{2}$ m. men on smallholdings, and public works of electrification, water supply, roads, housing, and agricultural expansion.<sup>3</sup> The National Government rejected the programme as exaggerating the possibilities of increasing the consumption of domestic produce, necessitating food price increases, harming imperial and foreign trade relations, and causing unemployment in the export industries.<sup>4</sup>

Meanwhile, the proposed introduction of the levy-subsidy scheme met continued delays and problems in the delicate international negotiations. Although the PMSC recommended a three-month extension to the meat subsidy this

1. Ibid. pp.140-1. Collins was Secretary of State for Scotland.

2. Ibid. pp.141-2.

3. Ibid. pp.142, 148, 166.

4. Ibid. p.172.

was changed to a maximum of six months and enacted as the Cattle Industry (Emergency Provisions) Act of March 1935.<sup>1</sup> This provided a further repayable grant of £1.05m. and was accompanied by a White Paper re-emphasizing the levy-subsidy principle and stating that overseas suppliers should regulate their own shipments.<sup>2</sup> As negotiations continued, the subsidy had to be further extended to June 1936 by the Cattle Industry (Emergency Provisions) (No.2) Act of August 1935.<sup>3</sup>

In July, plans for the domestic sugar industry, proposed by the Greene Committee in April,<sup>4</sup> were published in a White Paper.<sup>5</sup> However, discussions with the industry over the nature of the proposed reorganization were still in progress when the existing subsidy expired. Consequently it was decided to renew payments for a further year<sup>6</sup> and the British Sugar (Subsidy) Act, 1935 was passed in August. The industry reached agreement on the government's proposals before this Act expired, and was then re-structured by the Sugar Industry (Reorganization) Act in 1936. This provided for a Sugar Commission, the amalgamation of the factories into the British Sugar Corporation Ltd., a Refining Agreement, and ordered the Commission to prepare a scheme to encourage research in beet and sugar production and submit annual research programmes. Subsidies were also provided, which accommodated the industry's problems until the Second World War.

1. CAB 27/560, and CAB 24/253, CP-24(35), Progress Reports and Continuation of the Beef Subsidy, 28 Jan.1935; CAB 23/81, Cabinet Meetings, 23 Jan.Conc.7, and 30 Jan.1935, Conc.8.

2. Meat Imports into the U.K., Cmd.4828, 1935.

3. CAB 23/82, Cabinet Meeting, 3 July 1935, Conc.5; CAB 24/255, CP-133(35), Continuation of Cattle Subsidy: Meat Negotiations, 38 June 1935.

4. Report of the Committee on the Sugar Industry in the UK, Cmd.4871, April 1935.

5. Sugar Policy Proposals, Cmd.4964, July 1935.

6. CAB 23/81, Cabinet Meeting, 29 May 1935, Conc.9; CAB 23/82, Cabinet Meeting, 24 July 1935, Conc.7; CAB 24/256, CP-155(35), Report of Cabinet Committee on Sugar Beet, 23 July 1935.

The remainder of 1935 was taken up with preparations for the General Election of 14 November, Baldwins' succession to the premiership on Ramsay MacDonald's retirement in June, and the continuation of attempts to find a workable levy-subsidy formulae for meat, dairy produce, and bacon. None of the centrally authorized election material made any promise of agricultural expansion, and land settlement was dealt with in very muted tones.

Agricultural import protection was to be achieved by a variety of methods depending upon circumstances, labour interests, and the reduction of costs to consumers. Runciman's prepared statements on trade policy were virtually identical to the policy statements of 1932-4; he proposed general tariffs to protect industry, the Ottawa Agreements to expand Empire trade, and foreign agreements to develop specific interchanges.<sup>1</sup> The National Government based much of its claim to office on its past achievement.

The Withdrawal from Levy-Subsidy Proposals and the Adoption of Direct Payments, 1935-7

The year following the 1935 General Election saw the abandonment of the levy-subsidy principle as a result of political constraints. Following an initiative from Chamberlain in 1936, future agricultural subsidies came to be based upon direct payments from the Exchequer, but quotas and tariffs remained as instruments intended to stabilize the level of imports.

The first decisions of the new National Government in respect of agriculture concerned milk products. While levy-subsidy discussions were still in progress the Cabinet did not feel that it could prepare a long-term policy upon the expiry of the Milk Act, 1934, and instead passed the Milk (Extension of Temporary Provisions) Act of March 1936, which continued the repayable grants until October 1937.<sup>2</sup>

1. Eyers, 'Overseas Trade Policy', pp.185-7.

2. CAB 23/83, Cabinet Meeting, 29 Jan.1936 Conc.9; CAB 24/259, CP-20(36), Extension of Milk Act, 1934, 24 Jan.1936.

The PMSC had been wound up in June after agreeing to the British bargaining position for further negotiations on meat. These talks continued in 1936 but were unsuccessful, and a larger set of policy questions were revived in early 1936 by the need to reconsider the renewal of trade agreements with Scandinavia and the Baltic, embracing many commodities relevant to agricultural policy and to Dominion relations, including bacon and dairy produce. Thus, in April 1936 the Cabinet Committee on Trade and Agriculture (TAC) was set up to renew ministers' attention to agricultural import policy and to cover the broader implications of the PMSC's old brief.<sup>1</sup> This Committee was chaired by Chamberlain until he became Prime Minister in May 1937, whereupon Simon took his post. The TAC included at times Elliot, Morrison, Runciman, Stanley, Hailsham, Eden, Halifax, Collins, Leith-Ross, and various departmental officials, and met nineteen times between 9 April and 14 March 1939.<sup>2</sup>

Within a few months of its establishment, the TAC resolved the deadlock in livestock import negotiations, following an initiative from Chamberlain in May.<sup>3</sup> He announced the possibility of negotiating a duty insufficient to provide all the subsidy, with the rest of the required funds to be provided by the Exchequer.<sup>4</sup> This was intended to break the stagnation in negotiations and meet Foreign Office concern that Argentina might turn to Germany as a market for her meat.<sup>5</sup> Argentina was also to be given certain quantitative

1. CAB 23/83, Cabinet Meeting, 8 April 1936, Conc.12; CAB24/261, CP-104 (36), Agriculture and Trade: Renewal of Trade Agreements, 3 April 1936.

2. CAB 27/619 (TAC) (36), Minutes of Trade and Agriculture Committee, 1936-1939.

3. See Drummond, Imperial Economic Policy, pp.339-54 for the details of these negotiations. See also Chapter IX.

4. Drummond, Imperial Economic Policy, pp.351-2.

5. CAB 23/84, Cabinet Meeting, 13 May 1936, Conc.(4).



guarantees. As negotiations moved towards a conclusion, the final Cattle Industry (Emergency Provisions) Act was passed in July after Elliot announced the policy to the Commons.<sup>1</sup> This involved Dominion free entry, foreign beef duties, and a permanent subsidy to home producers. Quantitative regulation was to operate from January 1937 through an Empire Meat Council and an International Meat Conference, with aggregate beef imports to be held at the current level. Thus Britain would no longer suffer the difficulties and threats of retaliation from administering the details of quota negotiations, because the importing countries would now argue these out between themselves subject to certain individual and aggregate limitations.<sup>2</sup>

This change in approach allowed, and was part of, the renewal of the Argentine Agreement in December 1936.<sup>3</sup> It differed from the earlier Agreements by imposing duties on chilled and frozen beef, and corresponding duties on other beef, veal, and offals, with guaranteed minimum quotas and proportions of foreign beef imports based on her previous shipments. Mutton, lamb, and pork imports were similarly treated with quota guarantees, but had no duties imposed on them. The beef duties were retrospectively imposed from December by the Beef and Veal Customs Duties Act of February 1937.

This duty was cemented in a renewal of the Canadian Ottawa Agreement, which effectively renewed the Ottawa Agreements with the other Dominions and included guarantees that their agricultural products would be free of duties for a further three years. These moves put the government in serious difficulties with home producers of beef, dairy produce, and to a lesser extent, eggs, poultry, barley, and oats. In the case of beef and dairy

1. CAB 23/84, Cabinet Meeting, 10 June 1936, Conc.7(b); CAB 23/85, Cabinet Meeting, 1 July 1936, Conc.12; CAB 24/262, CP-153(36), Cattle Subsidy, 9 June 1936; Hansard, Vol.314, 6 July 1936, Cols.841-6.

2. See Chapter IX.

3. Trade and Commerce Agreement with the Argentine, Cmd.5234, 1936.

produce it was going back on what were effectively promises of more thorough protection held out respectively by the agricultural ministers and a Milk Reorganization Commission. The government had to accept the intensification of its domestic difficulties as the price of the satisfactory renewal of the Ottawa Agreements.<sup>1</sup>

With this policy change accomplished, proposals were finally made for the reorganization of the domestic livestock industry.<sup>2</sup> In January a White Paper presented a draft bill<sup>3</sup> which was enacted in July as the Livestock Industry Act. This established a Livestock Commission to administer the subsidy, and to undertake improvements in the efficiency of marketing and production and experiments in centralized slaughter, to operate service schemes, and to advise ministers. Cattle producers' incomes were maintained by the subsidy, although little advance was made in developing schemes for improvements before the Second World War.

The TAC also considered the situation in respect of bacon and milk. In July 1936 it resolved to continue the system of mutually agreed bacon quotas, because to change these would have created more inter-governmental strife. It also agreed on a scheme for imported milk products which accompanied the new Ottawa Agreements and their free-entry provisions, and allowed the passage of the Milk (Amendment) Act in July 1937. This was passed while the government considered the Report of the Milk Reorganization Commission,<sup>4</sup> and provided for greater Exchequer subsidies for a further year, on a new formula, and made it less likely that the payments would ever be repaid.<sup>5</sup> It was hoped that a measure to give effect to the long-term milk

1. Eyers, 'Overseas Trade Policy', pp.264-5.

2. CAB 23/86, Cabinet Meeting, Morning, 28 Oct. 1936, Conc.10: CAB 24/264, CP-275(36), Livestock Industry Bill, 23 Oct. 1936.

3. The Livestock Industry Bill, Cmd. 5362, 1937.

4. Econ. Ser.No.44, Milk, Report of the Reorganization Commission for Great Britain, 1936.

5. CAB 23/88, Cabinet Meeting, 17 June 1937, Conc.7; CAB 24/269, CP-152 (37), Extension of the Milk Acts, 1934 and 1936, 9 June 1936; CAB 24/269, CP-154(37), Extension of the Milk Acts, 1934 and 1936, 10 June 1936.

policy would be on the Statute Book before the end of the year.

Reassessing Domestic Agricultural Organization, 1935-7

Whilst to a very large extent the major decisions governing agricultural price support after 1932 were closely related to overseas trade negotiations, there was also a gradual change in emphasis towards marketing reform and productive efficiency. In general, by 1935 the agricultural marketing boards, except those for milk, had done comparatively little to implement the basic requirements towards improving efficiency. Interest was centred on price amelioration, and this was most successful in respect of hops, potatoes, and milk, where home producers had a virtual monopoly and some previous experience of co-operative marketing. Farmers were naturally mainly concerned with prices, and were reluctant to enter into new schemes of organized marketing with their accompanying restrictions upon individual freedom. They availed themselves of the facilities offered for reorganization while these were the only means of protection from falling prices. By 1934, following the wheat payments, the Ottawa Conference, the ensuing treaties, the cattle subsidy, and milk payments, it was apparent that producers did not have to take any final decisions on marketing schemes in order to obtain subsidies, tariffs, or quotas. Calls of distress and the appointment of a reorganization commission might do more than merely attract government attention, and no new schemes were forthcoming after 1934 as the qualification for assistance turned upon the distressed condition of the farming sector rather than the willingness of producers to reorganize.<sup>1</sup>

As the government realized that the marketing boards were concerned more with price negotiation than reform, it planned a new approach. This was centred upon the use of "commodity commissions" — or impartial, non-

1. The appointment of a reorganization commission brought some measures of assistance for fatstock (1934), eggs and poultry (1935), and milk (1936). See Econ.Ser.Reports No's. 39, 42, 43, and 44.



representative organizations administering the necessary permanent subsidies, designed to safeguard taxpayers and consumers through the provision of increased powers to improve production and marketing efficiency. It was considered that a government-appointed quasi-independent body would cope better than a government department with the intricate technical and administrative details which payments and planned reorganization would involve, and would avoid the limitations of producer-controlled organizations. By the end of 1936 the government was resolved that future developments would be based upon a commodity commission structure. Thus commodity commissions were introduced for beet sugar in 1936, and for livestock in 1937. Thereafter, the government attempted unsuccessfully to introduce a Milk Commission in 1938, and in effect introduced one for bacon then (although it was called a development board), and in 1939 prepared a Poultry Commission (largely for the control of disease).

#### The Agriculture Act, and Reviews of Agricultural Policy, 1937

In 1937 there was an intensified debate on agricultural policy owing to the accentuation of political pressure on the government from backbench Conservatives, an increasingly effective Labour opposition, and most of all, from a change towards more aggressive tactics by the NFU. Feelings were heightened by the possible imminence of war, for the NFU believed that an expansion of domestic agriculture was required and showed its disappointment at the withdrawal of levy-subsidy protection for meat and milk. The government refused to alter the broad terms of its policy, although it did make a number of concessions in the Agriculture Act of July 1937.

This legislation emerged from the conclusions of an inter-departmental committee set up by Cabinet<sup>1</sup> to examine agriculture from the viewpoints of welfare, national defence, the continuity of policies for restoring prosperity,

1. CAB 23/87, Cabinet Meeting, 24 Feb. 1937, Conc.3(d); CAB 23/88, Cabinet Meeting, 6 May 1937, Conc.1; CAB 24/269: CP-117(37), Increasing the Productivity of the Soil, April 1937; CP-125(37), Increasing the Productivity of the Soil, 30 April 1937; CP-136(37), Increasing the Productivity of the Soil, 5 May 1937.

productivity, and efficiency, and the provision of maximum supplies for consumers consistent with reasonable remuneration for farmers. The government announced that the best approach in order to build up production for wartime without causing an over-production in peace was to improve the prosperity and efficiency of agriculture consistent with normal peace-time economic development, and in particular to promote an increase in the fertility and productive capacity of the soil ready for an emergency.<sup>1</sup> Thus the importance of arable farming was stressed. The Agriculture Act raised the limit for full subsidy payments under the Wheat Act from 6m. to 8m. quarters. It introduced insurance schemes through acreage payments for periods when oats or barley prices were low (which were of general benefit but were especially welcome in Scotland where the Wheat Act had had much less impact), and provided grants towards the purchase of lime and basic slag. The Act extended land drainage grants, encouraged grassland improvement as a reservoir of fertility, and introduced a more comprehensive campaign for the eradication of animal diseases.<sup>2</sup>

The Agriculture Act passed with the full support of the Committee on Agricultural Policy (APC).<sup>3</sup> This Cabinet Committee was formed in July 1937 to reconcile a number of unresolved questions in respect of milk products and bacon which the TAC, then concentrating on the problems of trade negotiations with America, was unable to pursue. These were centred on the future form of financial support for home production, measures of reorganization, and above all, the desired levels of home production compared with imported supplies. Chaired by Chamberlain, the APC was almost as large as the TAC, but had some minor differences in personnel. Almost inevitably it fell to resolving the problems on a commodity basis, and although it

1. Hansard, Vol.324, 27 May 1937, Cols. 431-7

2. Ibid.; Agriculture Act, 1937.

3. CAB 27/362, CP-195(37), Cabinet Committee on Agricultural Policy, 27 July 1937; CAB 23/89, Cabinet Meetings, 28 and 29 July 1937.

reached the important decision that there would be no levy-subsidy on meat, dairy produce, eggs, or poultry, it made little progress in formulating a long-term agricultural policy with which the government could face its critics. Meanwhile, the TAC continued the protracted Anglo-American Agreement negotiations until the treaty was completed, and the APC re-joined the TAC in February 1939.

By late 1937 the government, in the face of trade agreement difficulties, had made a substantial departure from the levy-subsidy proposals as expressed for meat, milk, and bacon, and come to favour direct Exchequer payments, partially funded by some foreign duties and assisted in the market by quotas and tariffs. The government was also concerned to move plans for making agriculture more efficient from producer control through the marketing boards, to government control through the commodity commissions. Partly because of the shift in protective policy, partly because of the NFU's criticism of milk policy, and partly because of the IDAC's refusal to treat applications in respect of milk and other agricultural produce for fear of prejudicing treaty obligations, an official committee was formed in September 1937 at Chamberlain and Morrison's request to review the agricultural situation. It was chaired by Sir Horace Wilson, who had chaired the committee which formulated the principles of policy in 1934.

The Wilson Committee Report, which appeared in Cabinet in November, recommended that the government no longer attempt to have Britain's trading partners accept the levy part of the principle, but that the government should continue direct subsidies. The APC accepted this in a report subsequently approved by Cabinet,<sup>1</sup> and added that the government might benefit by offering a three-year no levy declaration as an item in trade negotiations, reserving the right of introducing precautionary measures of quota regulation. Morrison, the Minister of Agriculture since the Cabinet re-shuffle of October 1936, and Stanley, the new President of the Board of Trade, were in opposition about the extent of quota powers which should accompany the then forthcoming

1. CAB 23/90, Cabinet Meeting, Afternoon 17 Nov, Conc.8, 24 Nov.1937. Conc.1; CAB 24/272, CP-275(37), APC Report to Cabinet, 12.11.37.

milk legislation. The Cabinet provided a compromise by accepting the Report's recommendations, taking the decision to announce the abandonment of levy-subsidies in principle on meat, livestock, bacon, milk, dairy products, eggs, and poultry but retaining the right to impose quotas on Dominion supplies of these products in order to relieve a threat of instability in the market.<sup>1</sup> These decisions, and the Wilson Committee Report, followed the Leith-Ross Report on Trade Liberalization of June 1937 which had recommended that the government ease the bargaining position on bacon, dairy products, eggs, and poultry in the Scandinavian and Baltic countries where trade relations were balanced between Britain and Germany.<sup>2</sup>

The government finally confirmed the method of direct subsidies over a year after Chamberlain's initiative had been accepted for meat. Direct payments were arrived at through the need to reconcile commitments of free or low-cost entry to the Dominions and foreign countries, to protect the major and developing agricultural industries, and to avoid ~~adversely~~ <sup>harmingly</sup> affecting consumers through price rises occasioned by quotas or tariffs. Thus direct payments also allowed quotas to be changed from the protective devices of 1932 to the stabilizing mechanisms of 1937. Once accommodation of the difference in costs between domestic and imported produce was obtained, through subsidies and some small duties, it was possible to defer bargaining responsibility for quotas (as with beef), or to maintain voluntary quota schemes (as with bacon). Because domestic agricultural policy in respect of import protection was compelled to work within a trade agreements structure, it was impossible to move towards better price support and productive and marketing efficiency schemes in any other way than commodity by commodity and year by year. As an overall policy, agriculture was not to

1. CAB 23/90, Cabinet Meeting, 17 Nov. 1937, Conc.8(i); CAB 23/90, Cabinet Meeting, Afternoon, 24 Nov. 1937, Conc.1(i) -(iv).

2. Eyers, 'Overseas Trade Policy', p.268.

be expanded through employment-creating public works, nor to be directed by official investment. The best hope for the restored prosperity of farming was still seen as being a further recovery of international trade.

Bacon and Milk Policies, 1937-9

The effects of the reviews of 1937 were first apparent with regard to bacon. Almost since the establishment of the pigs marketing boards British farmers had complained of the levels of prices that were offered and had shown decreasing enthusiasm for the schemes. Because of this dissatisfaction the total number of bacon pigs offered on contract to the factories for 1937 was below an agreed minimum. This meant that the curers did not have a large enough turnover to operate profitably at the negotiated prices, and the pigs and bacon schemes fell into abeyance.<sup>1</sup> Morrison's solution was a proposal for a domestic subsidy to pig production, to be funded by a universal bacon import duty, but this was rejected by the ministers in the APC and in the Cabinet in line with the recommendations of the Wilson Committee Report. Instead, as it became clear that for a second year no contracts would be offered to bacon pigs under the schemes, the APC in February 1938 accepted a scheme of direct subsidies.<sup>2</sup>

Following extensive negotiations with the bacon industry, and an examination by the APC and TAC, these proposals were enacted as the Bacon Industry Act of July 1938.<sup>3</sup> This provided guaranteed annual average bacon pig prices that were related to feed costs. However, as an incentive to improve production efficiency they were established on a diminishing annual scale, and were only to last for three years. The Act's provisions were

1. See Chapter VII.

2. CAB 23/92, Cabinet Meeting, 23 Feb. 1938, Conc.10; CAB 24/275, CP-39(38), Bacon Industry, Re-organization and Assistance, 18 Feb. 1938.

3. CAB 23/92, Cabinet Meeting, 2 March 1938, Conc.11 and HA-6(38) CAB 23/93, Cabinet Meeting, 30 March 1938, Conc.12.



amended after a few months' trial by the Bacon Industry (Development) Act of March 1939 in order to incorporate a lard price insurance scheme. This adjustment was needed in order to meet tariff concessions under the Anglo-American Trade Agreement and to clarify claims for payments.<sup>1</sup> Equally important were the provisions in the 1938 Act for the improved organization and development of the industry through the creation of the reconstituted Bacon Development Board, provision for a factory rationalization scheme, and the continued regulation of imports. As a result of this legislation and negotiations with the bacon factories, the marketing schemes' system of contracts was re-established for 1939.

The government's proposals for the milk industry were much more controversial. The milk policy was derived from the Report of the Reorganization Commission for Milk of 1936 and was expressed in a White Paper in July 1937.<sup>2</sup> Although direct payments were to be continued milk producers also wanted a duty on imports. The government initially upheld the policy against severe criticism from the industry over the abandonment of the levy-subsidy, and against opposition to the plans for the re-organization of the marketing scheme structure through a supervisory commodity commission for milk. However, because of the vigorous opposition to these proposals, it was not possible to enact new legislation before the existing payments expired. Consequently, the Milk (Extension and Amendment) Act was passed in July 1938 to maintain the existing subsidies for a further year and to provide additional grants for milk consumption programmes. It also offered the concession of releasing the boards from loan re-payment liabilities incurred since September 1937.

Continued attempts to establish a Milk Commission and Milk Advisory Committee to supervise the milk marketing boards met increased opposition,

1. CAB 23/97, Cabinet Meeting, 7 Dec.1938 Conc.12, 14 Dec.1938, Conc.12, HA-41(38); CAB 24/280, CP-274(38), Lords, 2 Dec.1938; Anglo-American Trade Agreement, 17 Nov.1938, Cmd.5882, 1938.

2. Econ.Ser.No.44, Milk, Report of the Reorganization Commission, 1936, pp.283-93; Milk Policy, Cmd.5533, 1937.

which resulted in the postponement of the 1938 Milk Industry Bill until after Christmas while the industry was consulted.<sup>1</sup> In the event, these meetings forced the withdrawal of the Bill in February and led to another review of the position which was completed in June.<sup>2</sup> The new approach was a measure of milk policy as permitted by the industry, especially milk producers, and was passed as the Milk Industry Act in July. There were now no overseeing commissions or pasteurization orders, although separate proposals for a milk products marketing board were allowed to proceed. Quality milk production was encouraged through partial Exchequer subsidies and the manufacturing milk subsidies were readjusted so that they were related to the prices of imported milk produce and to factory efficiency. The government ensured that the major clauses were of only two years' duration in order that its long-term policy options might remain open.

Government Policy and NFU Criticism, Cereals and Sheep, 1938-9

In late 1938 specific criticisms of milk policy and continued general attacks from those agricultural circles disappointed that the government had not prevented the decline of the arable acreage or halted the drift from the land, were combined with a serious joint policy statement from the NFU and Chamber of Agriculture for Scotland.<sup>3</sup> The government was forced to give this careful consideration<sup>4</sup> and to take what was to be the final review of agricultural measures before the war totally overshadowed all decisions.<sup>5</sup>

1. CAB 23/96, Cabinet Meetings, 9 Nov.1938, Conc.12, HA-33(38), 30 Nov. 1938, Conc.15.

2. CAB 23/99, Cabinet Meeting, 7 June 1939, Conc.14; CAB 24/287, CP-128(39), Milk, Draft Statement of Long Term Policy, 22 June 1939.

3. NFU, A Statment of the Considered Views and Recommendations of the NFU and Chamber of Agriculture for Scotland, (1938); also in CAB 27/632, APC(37).

4. CAB 27/362, APC(37)14, Memo by Minister of Agriculture, 12 Dec.1938.

5. CAB 27/362, APC(37), Interim Report to Cabinet Committee on Agricultural Policy, by Minister of Agriculture, 27 Jan 1939; Hansard Vol.342, 22 Dec.1938, Cols.3088-9, also 20 Dec.1939, Cols.2674-7, 2705.

This examination was also combined with problems in respect of an expansionist food programme for general defence, and specific problems resulting from the fall in sheep, barley, and oats prices, which intensified feelings, especially in East Anglia, and gave rise to political agitation of some strength.<sup>1</sup>

The NFU called for a policy to replace the abandoned levy-subsidy approach. It suggested a price insurance scheme to be administered by a Permanent Agricultural Commission through the marketing boards and commodity commissions. The guaranteed prices were to be adjustable, and to provide a reasonable profit after allowing for production costs, with any deficit over current subsidy expenditure being made up by the Exchequer. Where this was not possible, it was considered that recourse might be had to the effective regulation of food imports or to the IDAC, but the fullest possible use was to be made of imports in order not to restrict Britain's trading position.<sup>2</sup>

A memorandum from Morrison to the APC stressed the need for a review and outlined the current principles of the agricultural policy<sup>3</sup>. These were based on measures to improve and promote efficiency in production, marketing, and distribution, to increase the fertility and productivity of the soil, and to improve the condition of those on the land. These measures included short-term emergency legislation designed to "hold the position" during periods of serious economic instability, long-term measures designed to place the important branches of agriculture on a permanently profitable basis, and the improvement of rural facilities and amenities. While the NFU was

1. CAB 27/632, Memo by Minister of Agriculture, 12 Dec.1938.

2. Statement of the NFU and Chamber of Agriculture, pp.1-5.

3. CAB 27/632, Memo by Minister of Agriculture, 12 Dec.1938.

calling for an expansion of all the existing staple branches of agriculture, Morrison offered an alternative of encouraging certain branches and discouraging others through a definite plan related to the needs of the soil, to the farming population, and to the case for protection. Formerly the assumption was held that as a national policy the costs and other disadvantages of expanding agriculture outweighed the advantages, but it was now considered necessary to re-examine the trend of policy in relation to the international situation and national defence.<sup>1</sup>

The APC's conclusions were that the price insurance scheme and special measures of assistance and protection rested upon the desirability of maintaining agricultural land in production and increasing its fertility.<sup>2</sup> This was justified on grounds of economic and social stability in peace, and on grounds of national defence in war. To secure this objective it was necessary to examine a measure of price stability for the staple agricultural commodities upon which the continued production and fertility of the land depended, and the principle of stability and improved fertility by insuring against losses was accepted. It was decided that the staple enterprises on which cultivation and fertility depended were dairy and beef cattle, sheep, cereals, potatoes, and possibly sugar beet, and it was felt that no further measures were required for beef, wheat, potatoes, and beet. A second group of specialist produce comprising pigs, poultry, fruit, vegetables, and hops, was not regarded as needing insurance measures. However, the NFU was invited to submit price insurance proposals for sheep. The milk situation was still under discussion at this stage, and following the complaints from farmers the oats and barley subsidies were recognized as inadequate.<sup>3</sup>

1. Ibid. pp.2-7, 14.

2. CAB 27/362, APC(37)17, Memo to Cabinet Committee on Agricultural Policy, 27 Jan.1939.

3. Ibid.

These policy questions were also taken up by the TAC in February 1939 once it resumed its original brief, although it found itself in disagreement with the agricultural organizations over the levels of price insurance.<sup>1</sup> Whereas the government wanted to safeguard against "serious financial difficulties" which would endanger farming standards and soil fertility, the NFU wanted a payment to allow a basic price assessed on production costs as was afforded to industry through the IDAC. However, it was agreed that there would have to be limits of standard acreages or quantities.<sup>2</sup>

Some of the results of these discussions were contained in the Agricultural Development Act of July 1939.<sup>3</sup> Sir Reginald Dorman-Smith, the new Minister of Agriculture and a former president of the NFU, stated that sheep, oats, and barley production were in dire straits and that as an approach to this crisis the government had undertaken a review in an inter-departmental committee and later in consultation with the NFU, workers, and landowners.<sup>4</sup> The Act was not a new departure of policy, but a development which aimed to close the gaps in existing measures and to "complete the structure of organized protection of the British agricultural producer which we have been gradually building up."<sup>5</sup> Policy was to depend upon price insurance, the regulation of overseas imports, and the encouragement of measures of efficiency. Included in the legislation was a price insurance scheme for sheep, negotiated by the NFU.<sup>6</sup> This basically sought to accommodate losses on the seasonality of marketing, and contained

1. CAB 27/621, TAC(36)58, Price Insurance Discussions with Agricultural Organizations, 10 March 1939.

2. Ibid. pp.1-4.

3. CAB 23/99, Cabinet Meeting, 17 May 1939, Conc.12; CAB 24/286, CP-110(39), Agricultural Policy, Oats, Barley and Sheep, 12 May 1939.

4. Hansard, Vol.348, 15 June 1939, Cols.1565-7.

5. Ibid.

6. CAB 23/99, Cabinet Meeting, 26 April 1939, Conc.9; CAB 24/285, CP-88(39), Price Insurance for Sheep, 20 April 1939, and CP-92(39), Price Insurance for Sheep, 24 April 1939. See chapter IX.

limitations to the maximum output eligible for full payments. A standard price insurance scheme replaced the acreage payments for oats under the Agriculture Act and alternative schemes were offered for barley. These were minimum prices for malting barley, or levies on barley manufactures, to partially fund a subsidy from parliamentary moneys, payable on an acreage basis when prices fell below a certain level, and reducible if production exceeded certain limits. Subsidies on barley, backdated to 1938, were provided to meet the depression caused by the recent collapse in sheep and barley systems. In addition proposals were included for a scheme to regulate the marketing of barley. Finally, plans to increase the fertility of the land in readiness for war were extended by means of grants for ploughing up pasture, and facilities were provided to establish a reserve of farm machinery.<sup>1</sup>

Following a short review<sup>2</sup> the successful wheat price insurance scheme was renewed under the Wheat (Amendment) Act of July 1939. Because of the high probability of war, the limit for full payment of the wheat subsidy had been raised from 27m. to 36m. cwt. under the Agriculture Act of 1937, and the Agricultural Development Act provided for full payments for oats and barley on a level of output equal to that of 1929-30. The Milk Industry Act, 1939 gave payments to factory milk when imported manufactured milk product prices were below certain levels, and these payments were related to the productive efficiency of each factory.

Plans for wartime food expansion, food defence, and government food stockpiling confused issues of long-term policy in the period immediately prior to the Second World War. In effect the production of milk, meat, wheat, barley, oats, bacon, eggs, and poultry, was either allowed to expand

1. Agricultural Development Act, 1939; CAB 23/99, Cabinet Meeting, 3 May 1939, Conc.8; CAB 24/285, CP-103(39), Expansion of Food Production in Time of War, 1 May 1939.

2. CAB 23/96, Cabinet Meeting, 19 Oct. 1938, Conc.16; CAB 23/97, Cabinet Meeting, 22 Feb.1939, Conc.10.

or encouraged to do so, although the government had decided that its peacetime approach was to maintain a constant level of agricultural output. Only the production of hops and potatoes was restricted, and this was achieved by the marketing schemes as price-raising devices and not by direct government involvement. The limits to the output of cereals and sheep that qualified for a full subsidy were far higher than recent production levels.

Agricultural policy in the 1930s had evolved through several stages by 1939. It commenced during the world depression and developed into a permanent feature of economic policy. It ranged from wheat, meat, and milk subsidy payments, and reforms of domestic farming, to questions concerning international trade and the export sector. Finally, peacetime agricultural development and further calls for support for other farm commodities had to be reconciled with provisions for the security of the country in the likely event of a future war.

#### Government Policy for British Agriculture, 1917-39

During the First World War the government influenced and changed the direction of trends in agricultural output to meet wartime food production requirements. This left the government with a responsibility for the welfare of agriculture upon the return of peacetime conditions, which it acknowledged and accepted. In the belief that food imports would be more expensive in the post-War world, it determined to develop home agriculture, in particular arable farming, in order to save on the import bill, to maintain the rural population, and for national security. However, once prices collapsed in 1921 the government withdrew its price guarantees, which were considered too expensive to uphold in the current economic climate.

After 1921, although governments were still attached to these arable-based expansionist aims, the objectives were modified. Initially, expansion was intended to increase returns from agriculture, and to secure the fullest possible use of the land for the production of food and the employment of

labour. Then it was realized in 1924 that these aims were not necessarily compatible. However, an obsession with expansion, and with wheat and arable production as the mainstay of British farming remained prevalent in some agricultural circles in the 1920s and even in the 1930s, although other products were clearly more important measured only in terms of off-farm sales.

Following an abortive attempt at agricultural protection in 1923, and other departures from the general desire to restore pre-War economic freedoms (principally wages regulation and the beet sugar subsidy), the government insisted in the 1920s that agriculture would have to conduct itself on an economic basis without direct financial support. Further assistance was limited to marketing reform, land settlement, co-operation in farming, the reduction of charges on land, and the provision of credit. It was emphasized that neither subsidies nor protection would be made available. This was so even as the Slump became more severe in 1930, when arable farming really began to suffer from the onset of world depression. Instead, earlier approaches were developed and the marketing scheme policy was offered as a solution to the industry's problems. However, in late 1930, protective measures began to be discussed for wheat.

In the winter of 1931/2 Britain made the transition to protection. Duties were imposed on some agricultural produce and a system of voluntary agricultural import quotas was arranged. The wheat subsidy, the Ottawa Agreements, the 1933 Agricultural Marketing Act, and the bi-lateral trade treaties of 1932-4, established a complete system of agricultural protection. Several marketing schemes were introduced by 1934, together with temporary loans to beef and milk producers. All these developments were a response to falling farm incomes, which resulted largely from domestic and world overproduction of primary produce.



As the British economy began to emerge from the depression it was realized that low agricultural incomes were not a temporary phenomenon, and that immediate aid and long-term planning were required for farming. In 1934, having already established limits to protective action, the government undertook a review of agricultural policy, its role in economic policy, and the post-Ottawa trade structure. The review endorsed emergency measures of farm support, although as a long term approach the expansionist aims of the 1920s were replaced by the concept of a steady state agriculture. This was in response to the National Government's policy with regard to the balance of trade and the importance of the export sector. Overseas trade and exports were not to be restricted by domestic agricultural expansion and import protection. Long-term planning for the more politically contentious commodities was to be centred upon levy-subsidy proposals, while the marketing boards were to encourage improvements in farming efficiency.

The next two years were largely occupied with the continuation of temporary measures of agricultural assistance, while discussions took place in an attempt to support farm incomes through the introduction of levy-subsidies, principally for meat, milk products, and bacon. This was accompanied by the search for an alternative solution to the problem of low farm incomes and growing dissatisfaction with the lack of reforming zeal shown by the marketing boards. However, negotiations to establish levy-subsidies were frustrated by opposition from overseas governments, and the constraints imposed by the trade agreements of 1932-4. The Dominion and foreign countries would not voluntarily accept the required levels of import duties to fund a subsidy. Negotiations continued until 1936 when the deadlock was broken by the decision to allow direct unfunded subsidies for beef. Temporary emergency loans to beef and milk producers became permanent payments, supported by tariffs and some stabilizing quotas, and the politically contentious meat quota arrangements were devolved onto international bodies. At the same time, once the deficiencies of the marketing boards in achieving reforms had become apparent, it was decided that future domestic producer organization was to be centred upon independent

commodity commissions. These bodies were to be armed with powers of compulsion, and were introduced in order to administer payments and to enforce improvements in efficiency.

The adoption of the direct subsidy and the commodity commission provided a framework for agricultural policy in the years before the Second World War. Commissions were introduced for sugar and for livestock, and the responsibilities of the Wheat Commission were extended to include the payment of subsidies for other cereals. As other farming sectors were able to provide convincing arguments for support, and as policies for the economic development of peacetime agriculture became involved with preparations for increasing productive capacity in the likely event of war, the guidelines relating to the policy of a "steady state" agriculture became less clear in practice. For barley and oats these developments were coincident with a downturn in their price, while milk payments were extended in a more permanent form to replace the abandoned levy-subsidy approach. The marketing schemes for pigs had been in abeyance and payments were considered necessary to stimulate the re-introduction of organized marketing.

The final pre-war measures of agricultural policy resulted from NFU criticisms of the government's approach following the abandonment of levy-subsidy proposals. The government's response was to divide agricultural produce into two categories, one of essential staple commodities which were to be supported in order to maintain a balanced agriculture capable of rapid expansion in wartime, and one of specialized produce which had a lesser claim to support. Consequently, when incomes from sheep production, which was included in the former category, were sharply reduced as a result of domestic overproduction, farmers were able to campaign successfully for aid.

On the outbreak of the Second World War agricultural policy was still in development. Every major agricultural commodity was in receipt of some form of subsidy or protection, and there were a number of schemes in operation and development intended to improve the efficiency of the production and distribution of farm output. Most of the measures introduced in the 1930s were suspended during the Second World War, and this together with the different domestic and world economic conditions after 1945

required a new set of responses that were met initially by the Agriculture Act of 1947.

Government decisions in respect of agricultural policy in the inter-war years were a feature of general approaches to economic policy, although agriculture gained more assistance than Britain's other staple industries. Agricultural prosperity was related to the general prosperity of the economy and to agricultural import protection, and agricultural imports formed half of Britain's imports by value. The Great War required a greater government involvement in the economy, which was withdrawn in the early 1920s as it was intended to return to 'business as usual'. Although this approach was not originally planned for agriculture, it was forced by constraints on expenditure. Thereafter, the 1920s were dominated by a wish to return to pre-War economic conditions with occasional departures in respect to certain declining staple industries, including agriculture. The onset of world depression from 1929 called forth, and allowed, a more active government response, and brought the erosion of non-interventionist ideals in the early 1930s. Once domestic industry gained protection under the Import Duties Act, 1932, agriculture too was allowed direct financial support and import controls, and by the end of the decade had become the most heavily assisted sector of the British economy. Finally, with the growing possibility of a European War, expansion was encouraged in certain sectors of the economy vital to a war effort, including agriculture.

During the First World War and in the 1920s, the reports which preceded the decision-making process in respect of the overall development of agricultural policy were far more open to public scrutiny than in the 1930s. In this latter decade there was much public analysis and political argument, but it was concerned more with specific proposals than the basic strategy. Until the 1930s the government appointed commissions, tribunals, and committees, whose reports were often published as parliamentary papers, and then faced Cabinet and open discussion. But, as the issues involved in agricultural policy became increasingly complex and political in the 1930s,

and the need for review at a general and a product level became more frequent, it was major Cabinet committees that governed agricultural policy, discussed issues, and negotiated with overseas countries. Policy statements were then published in a more finalized and specific form than in the 1920s, and concrete proposals were presented in place of the principles of policy, which were often less open to discussion. There was, however, greater consultation with the NFU and other concerned interests in the 1930s than in the 1920s, but mainly over the details of the implementation of schemes. The new departure in the relationship between the government and the NFU evolved simply because the government's policy needed the goodwill and co-operation of agriculture. It was also intended to have a moderating effect upon the Union's aggressive behaviour. Agricultural policy remained strictly subordinated to wider economic concerns and the farmers' influence, though strong, was hence limited. While a policy of agricultural expansion was announced in the 1920s, the decision from 1934 to maintain only a stable level of agricultural production was not made public. Agricultural self-sufficiency was precluded by the government's determination not to lose Britain's position in international trade. This change could be seen only through the limitations imposed on the payment of full subsidies, although these restrictions were relaxed at the end of the decade. Chamberlain, Elliot, Runciman, Morrison, and Stanley were the important figures in the development of agricultural policy in the 1930s, and the Presidents of the Board of Trade often appear to have been more influential in issues of protection and expansion than the Ministers of Agriculture.

The effects of agricultural policy upon farm incomes and the agricultural community are discussed in Part III of this work. The more detailed approaches and effects on each product are considered in the following commodity chapters in Part II. Generally, farming incomes were high in the Great War, but declined sharply as prices fell in 1921/2 and remained well below average earnings in the 1920s. Although incomes were rising on some farms at the end of this decade, this trend was reversed in the Slump, .

especially in 1931/2. Thereafter agricultural incomes recovered even before subsidies were added to the total, and reached a level in 1939 that was just comparable with average earnings.<sup>1</sup> Agricultural output rose steadily, but its contribution to the gross national product declined.<sup>2</sup> Agricultural imports became a slightly higher proportion of all imports by value, in the 1930s,<sup>3</sup> even after the depression, and attempts at restriction probably did not adversely affect overseas countries' sterling balances any more than Britain's general protective position. Quota restriction may even have improved some of our trading partners' sterling earnings, although it then raised the level of consumers' food prices. Protective measures also helped to strengthen Britain's trading position in respect of the Empire by the end of the 1930s, as the Ottawa Agreements re-started a trend that had begun in the late nineteenth-century, but which had stabilized in the 1920s. On balance, it would appear that despite an initial hesitancy, and a lack of thorough preparation, the agricultural policy which emerged in the 1930s enhanced farm incomes without being particularly damaging to consumers' interests or Britain's trading position, and by the end of the decade several positive schemes for improving agricultural efficiency had been significantly advanced.

1. Table F.V.

2. Tables F.VI and F.VII.

3. Table GP.I.

Table GP.I

## The Value of UK Agricultural Imports and Total Merchandise

Consigned from Foreign Countries and British Possessions

1911-13 to 1939.<sup>1</sup>

YEAR	GRAIN AND FLOUR.	MEAT.	ANIMALS LIVING, FOR FOOD.	DAIRY PRODUCE.	FRESH FRUIT AND VEGE-TABLES.	OTHER FOOD AND DRINK.	WOOL.	HIDES AND SKINS.	FEED FOR ANIMALS.	TOTAL AGRICULTURAL IMPORTS.	PER CENT OF ALL IMPORTS.	TOTAL UK IMPORTS.	VOLUME OF UK OFF-FARM SALES.	VOLUME OF UK AGRICULTURAL IMPORTS.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	%.	£.	1911-13 = 100	1911-13 = 100
1911-13	83 250 613	51 842 716			136 591 220		36 780 566	13 288 035	-	321 759 130	44.00	731 177 666	100.0	100.0
1914	76 636 269	63 215 056			146 654 814		34 246 722	12 727 066	-	333 479 927	47.87	696 635 113	102.1	102.6
1915	112 357 762	86 837 086			173 128 078		44 146 533	13 958 967	-	430 430 432	50.53	851 893 350	100.3	105.3
1916	133 253 132	95 050 999			184 498 185		31 730 623	13 784 590	-	466 317 529	49.16	748 506 492	97.9	90.6
1917	175 000 319	102 398 081			173 368 601		51 729 188	18 382 830	-	520 899 019	48.95	1 064 164 678	93.0	80.5
1918	154 168 614	173 679 348			223 803 442		34 573 359	18 853 328	-	610 078 171	46.25	1 316 150 903	89.8	81.7
1919	151 616 095	175 445 708	-		332 561 743		104 735 205	29 508 074	11 811 258	811 702 082	49.92	1 626 156 212	92.9	97.8
1920	231 635 600	141 527 296	-		350 573 127		93 099 664	31 967 112	8 879 902	857 702 077	44.38	1 932 648 881	107.6	91.3
1921	138 311 227	132 902 847	2 804 318		263 552 379		43 403 357	10 914 746	6 579 259	598 429 793	55.13	1 035 500 061	103.9	84.9
1922	103 531 521	103 317 334	1 580 155		237 425 801		62 667 021	14 936 535	5 612 148	550 870 515	52.92	1 003 098 899	102.9	97.6
1923	96 645 199	111 271 662	14 028 801		264 647 587		50 302 815	16 858 604	5 774 078	557 654 766	51.05	1 096 226 214	80.8	110.3
1924	120 647 028	106 572 264	22 049 369		295 626 100		74 735 379	21 260 428	8 907 770	649 792 478	50.87	1 277 439 144	82.7	125.4
1925	111 189 480	122 328 676	17 575 629		292 831 490		75 828 303	21 202 247	9 076 625	650 673 070	49.27	1 320 715 190	84.0	127.2
1926	99 112 741	114 267 466	16 921 944		274 907 090		65 444 153	19 506 229	6 204 979	597 025 222	42.07	1 241 361 277	84.2	122.9
1927	110 929 996	103 464 070	15 510 297		280 935 540		63 216 344	23 018 506	8 418 242	606 182 995	49.75	1 218 341 150	87.2	130.8
1928	97 646 183	109 264 102	16 034 355		281 240 490		63 854 572	26 051 740	9 120 571	603 272 013	50.46	1 195 572 413	90.4	127.5
1929	95 914 625	113 514 647	16 376 347		221 507 780		63 012 117	20 416 927	9 602 904	600 405 310	49.18	1 220 765 300	91.1	129.6
1930	72 803 931	111 333 175	18 510 711	87 374 905	44 712 020	112 740 056	45 102 389	16 126 002	5 745 034	520 498 123	49.86	1 043 775 261	92.6	121.7
1931	55 812 037	93 705 694	16 214 217	79 231 031	49 648 268	104 655 992	34 544 409	11 696 212	5 379 631	451 493 491	52.42	861 252 638	90.0	115.9
1932	58 078 379	80 970 074	10 715 556	66 987 629	42 544 577	96 836 920	33 500 267	12 077 124	6 542 259	408 334 234	52.19	701 670 061	93.8	108.7
1933	55 012 113	77 535 855	7 051 944	55 127 437	36 457 104	90 403 841	37 406 024	14 272 656	5 950 782	379 715 562	56.25	675 016 119	101.0	107.8
1934	54 370 606	81 518 831	5 265 106	52 818 129	35 174 031	92 979 079	32 205 067	14 737 654	7 429 216	382 579 741	52.31	731 413 723	104.4	109.3
1935	56 731 969	77 759 114	5 567 506	58 419 229	37 123 530	92 231 225	36 755 272	14 657 427	7 712 087	392 957 361	51.92	756 040 537	100.7	107.3
1936	69 536 113	72 710 957	7 232 528	61 303 102	36 319 352	95 451 372	45 655 949	19 507 765	8 458 376	422 241 526	50.51	847 451 266	102.7	114.0
1937	91 367 180	87 052 849	7 122 052	72 904 974	36 425 544	106 205 785	52 139 314	25 128 929	11 347 741	490 400 614	47.71	1 027 224 422	98.9	118.1
1938	74 418 332	90 679 859	9 220 418	80 013 976	37 657 557	103 422 666	42 618 055	18 233 113	11 419 250	461 683 232	50.26	919 508 933	98.3	114.5
1939	55 446 202	93 297 467	10 492 660	75 847 711	34 972 123	105 257 452	40 426 722	15 465 036	8 935 947	440 661 332	49.76	885 512 502	109.2	102.5

1. Annual Statements of the Board of Trade.

Table GP. II

The Value of UK Agricultural Imports and Total Merchandise  
 Consigned from the Empire, 1911-13 to 1939.<sup>1</sup>

YEAR	GRAIN AND FLOUR, £.	MEAT, £.	ANIMALS LIVING, FOR FOOD, £.	DAIRY PRODUCE, £.	FRESH FRUIT AND VEGETABLES, £.	OTHER FOOD AND DRINK, £.	WOOL, £.	HIDES AND SKINS, £.	FEED FOR ANIMALS, £.	TOTAL AGRICULTURAL IMPORTS, £.	PER CENT OF EMPIRE IMPORTS, %	TOTAL EMPIRE IMPORTS, £.	PER CENT OF ALL UK IMPORTS, %
1911-13	31 454 805	12 421 764		32 540 316			28 146 444	6 851 153	-	111 464 482	60.93	182 929 666	15.24
1914	30 915 498	16 302 752		35 990 668			27 037 933	6 503 179	-	116 210 030	62.20	187 201 572	16.77
1915	34 234 813	24 869 482		52 282 787			38 970 424	7 680 000	-	158 038 811	58.14	271 225 227	18.55
1916	44 875 479	25 556 152		57 012 111			34 957 516	6 925 643	-	159 326 901	55.94	302 672 650	17.85
1917	57 450 948	28 977 807		64 065 775			46 724 678	9 175 173	-	206 374 321	57.49	359 030 373	19.39
1918	51 392 244	31 221 235		82 770 198			35 261 204	8 269 907	-	208 914 788	49.32	423 034 971	15.27
1919	59 272 723	44 964 050	-	111 474 402			94 765 277	17 960 268	5 200 287	333 631 047	58.26	582 510 637	20.52
1920	55 557 438	48 338 114	-	108 997 479			76 535 831	18 055 513	4 123 030	311 607 685	55.65	559 937 041	16.12
1921	58 743 920	34 740 858	12 45 909	98 851 328			38 643 769	5 501 009	2 869 968	240 646 771	72.75	330 781 915	22.17
1922	41 269 325	25 640 856	56 7 797	87 000 118			54 414 944	7 999 933	2 637 898	219 530 871	69.09	317 752 733	21.27
1923	40 349 053	27 166 006	13 477 379	102 356 285			42 040 157	8 822 613	2 066 657	236 330 175	72.51	325 926 733	21.56
1924	53 077 557	27 225 614	22 014 542	110 879 591			57 841 911	10 020 874	3 569 514	284 774 625	73.42	387 872 497	22.29
1925	54 813 823	32 135 108	17 524 576	119 874 040			63 050 120	10 242 566	3 129 486	308 836 277	70.10	429 136 177	22.72
1926	42 578 042	28 564 809	16 965 953	110 331 638			55 258 188	9 764 287	2 094 753	265 558 267	70.60	376 156 079	21.39
1927	44 014 383	22 955 792	15 510 297	112 957 777			50 541 954	11 908 663	2 689 994	260 572 810	71.07	366 661 372	21.39
1928	41 680 545	24 831 775	16 034 355	112 118 771			50 018 769	13 623 890	3 359 698	261 675 348	71.97	363 584 841	21.37
1929	31 604 817	23 303 677	16 376 347	113 222 667			52 357 086	11 318 784	3 541 556	251 724 934	70.15	358 842 127	20.62
1930	26 615 682	22 784 230	18 489 267	35 741 144	13 890 548	56 392 771	36 251 514	8 481 975	2 248 885	220 902 016	72.66	304 029 609	21.16
1931	19 615 716	21 472 665	16 200 009	33 762 160	12 244 702	50 000 579	27 507 331	6 202 946	1 943 051	187 007 219	76.39	247 416 469	21.95
1932	30 026 604	19 038 934	10 763 693	33 431 302	14 588 942	46 957 261	28 387 714	5 806 706	2 725 137	191 728 333	77.27	248 136 572	27.32
1933	28 785 078	21 037 873	7 041 455	28 332 171	14 895 825	47 762 850	30 603 337	6 361 682	2 446 058	187 246 331	75.16	249 137 323	27.74
1934	24 252 457	27 380 157	5 251 717	27 845 334	14 712 833	50 535 402	31 357 523	6 595 304	3 245 481	191 236 210	70.49	271 284 946	26.15
1935	26 930 041	28 354 987	5 556 448	31 113 042	17 078 572	48 680 251	30 880 865	6 499 969	3 172 394	198 286 569	69.68	284 558 217	26.23
1936	40 547 429	29 474 148	7 217 476	38 474 638	16 178 684	51 975 432	36 980 826	8 190 310	3 371 558	232 430 581	69.93	332 361 497	27.41
1937	47 200 071	35 136 490	7 110 129	35 882 500	18 943 258	61 969 440	41 334 163	10 115 767	5 002 037	262 693 857	64.83	405 224 643	25.56
1938	37 952 222	36 014 164	9 210 132	38 449 014	18 966 942	59 612 512	34 858 056	6 229 317	5 591 791	246 984 232	66.48	371 532 291	26.86
1939	24 814 066	35 042 546	10 987 662	36 722 731	18 539 764	58 014 802	32 177 159	5 717 281	4 322 727	226 420 558	63.23	358 106 081	25.57

1. Annual Statements of the Board of Trade.

Table GP. III

The Value of Agricultural Imports and Total Merchandise Retained in the UK from the Major Food Supplying Countries of the Empire, 1911-13 to 1939.<sup>1</sup>

YEAR	INDIA		AUSTRALIA		NEW ZEALAND		CANADA		EIRE	
	AGRICULT-URAL PRODUCE.	TOTAL IMPORTS.	AGRICULT-URAL PRODUCE.	TOTAL IMPORTS.	AGRICULT-URAL PRODUCE.	TOTAL IMPORTS.	AGRICULT-URAL PRODUCE.	TOTAL IMPORTS.	AGRICULT-URAL PRODUCE.	TOTAL IMPORTS.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1911-13	20 120 514	31 015 063	21 610 910	33 377 413	14 582 821	15 637 826	19 846 709	22 347 098	-	-
1914	14 842 693	32 872 756	22 450 796	27 110 260	17 221 102	18 551 590	24 610 690	30 554 490	-	-
1915	25 822 285	50 348 172	28 497 790	36 879 642	26 422 296	27 998 844	29 595 462	36 966 237	-	-
1916	24 005 867	57 027 453	24 248 442	31 673 455	28 216 950	29 694 379	45 474 104	57 310 859	-	-
1917	26 472 404	59 036 271	53 683 249	60 771 042	26 606 443	27 914 265	57 429 537	83 874 627	-	-
1918	42 958 812	86 364 387	36 700 276	43 166 722	23 457 755	23 907 819	61 476 167	124 012 321	-	-
1919	27 240 257	84 821 677	79 975 799	89 593 617	47 226 350	50 512 714	75 503 375	113 344 724	-	-
1920	23 237 134	72 501 923	68 629 152	76 627 615	42 166 968	43 714 272	60 043 616	90 776 750	-	-
1921	21 658 032	35 072 151	50 366 954	51 911 129	44 626 528	46 026 412	49 726 600	57 612 023	-	-
1922	17 999 130	38 193 105	41 620 345	45 264 613	42 358 706	43 210 627	42 458 153	52 957 468	-	-
1923	28 976 365	56 322 964	22 222 473	27 375 013	36 171 027	37 522 579	37 438 060	51 133 296	28 427 355	32 307 130
1924	35 266 609	65 106 649	35 449 557	40 331 712	32 371 741	37 663 342	51 256 604	62 672 003	42 146 621	50 205 877
1925	28 905 724	64 655 006	49 095 229	55 525 629	42 123 727	43 904 445	52 407 243	67 201 125	36 031 263	42 425 165
1926	22 085 866	44 653 834	40 920 290	46 365 190	39 054 211	40 407 473	47 103 373	61 315 937	34 573 120	37 940 752
1927	27 703 276	52 617 067	35 392 302	36 906 627	37 720 927	39 069 047	37 910 610	52 412 340	36 649 073	42 356 631
1928	21 790 830	50 170 127	38 378 621	42 117 626	37 744 064	37 232 737	39 374 337	54 247 248	32 022 751	44 022 375
1929	20 377 262	48 230 009	40 722 944	45 252 711	37 483 551	40 673 162	28 362 961	43 623 927	37 627 042	43 926 659
1930	18 978 409	40 074 159	35 090 275	38 922 277	37 397 932	40 226 523	23 011 178	35 760 757	35 930 375	41 922 859
1931	14 052 223	28 415 623	37 350 639	40 673 755	33 094 185	33 656 453	19 174 437	30 876 472	30 423 622	35 658 232
1932	13 285 313	27 007 679	37 724 966	40 920 023	22 733 002	33 220 690	27 152 355	40 430 255	21 694 161	25 979 846
1933	15 134 642	32 027 418	40 042 662	43 827 612	31 333 819	31 906 508	27 923 374	43 720 456	15 243 979	17 340 767
1934	17 091 000	37 006 837	41 720 953	45 334 159	34 495 659	35 025 121	27 053 922	48 176 079	14 412 405	16 453 233
1935	16 777 293	35 230 274	44 205 366	48 593 462	33 774 966	34 236 756	30 022 857	52 573 321	16 002 745	18 159 529
1936	18 576 443	45 447 873	50 444 621	56 123 420	37 717 457	38 329 314	41 652 252	71 171 224	17 448 033	19 693 298
1937	24 705 812	56 957 046	52 211 473	65 044 255	42 725 761	43 540 959	42 002 766	83 568 452	16 260 652	20 077 919
1938	23 061 261	42 876 222	61 220 247	66 644 707	41 109 696	41 767 297	35 954 427	73 152 205	12 372 635	22 065 364
1939	17 201 932	47 667 707	51 990 734	52 671 302	37 657 925	38 191 140	33 502 706	77 569 022	20 718 702	24 425 751

1. Agricultural imports are Class I Food and Drink, (but excluding tobacco and including hides, sheepskins and wool), Annual Statements of the Board of Trade.



Table GP. IV

The Value of UK Agricultural Imports and Total Merchandise  
Consigned from Foreign Countries, 1911-13 to 1939.<sup>1</sup>

YEAR	GRAIN AND FLOUR.	MEAT.	ANIMALS LIVING, FOR FOOD.	DAIRY PRODUCE.	FRESH FRUIT AND VEGETABLES.	OTHER FOOD AND DRINK.	WOOL.	HIDES AND SKINS.	FEED FOR ANIMALS.	TOTAL AGRICULTURAL IMPORTS.	PER CENT OF FOREIGN IMPORTS	TOTAL FOREIGN IMPORTS.	PER CENT OF TOTAL UK IMPORTS
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	%.	£.	%.
1911-13	51 795 810	39 420 953		104 006 900			8 634 123	6 436 882	-	210 294 668	38.36	548 247 933	28.76
1914	48 660 771	46 912 304		110 664 140			7 208 787	6 223 887	-	219 669 891	43.17	508 833 541	31.53
1915	78 122 955	61 969 604		120 845 291			5 176 109	6 278 957	-	272 372 916	46.95	580 068 123	31.97
1916	88 377 653	68 474 847		127 486 074			4 773 107	6 858 947	-	295 990 628	45.83	645 833 842	31.21
1917	117 549 371	73 420 274		109 322 826			5 004 510	9 207 657	-	314 504 638	44.60	705 134 305	29.55
1918	102 776 450	142 458 113		141 033 244			4 312 155	10 583 421	-	401 163 383	44.92	893 115 932	30.48
1919	92 403 372	130 451 618	-	227 087 341			9 987 928	11 547 206	6 610 971	478 087 036	45.81	1 043 585 573	29.40
1920	176 078 162	93 189 182	-	239 827 708			16 563 833	13 911 419	4 776 872	624 174 176	45.47	1 372 711 840	32.30
1921	79 567 967	98 111 987	1 558 409	164 701 051			4 759 588	5 413 727	3 729 291	357 842 022	47.41	754 718 146	32.97
1922	62 062 196	77 676 478	1 012 358	152 425 683			8 252 077	6 936 602	2 974 250	311 339 644	45.43	685 330 166	31.04
1923	56 246 146	84 211 656	549 402	162 291 302			8 262 658	8 035 986	3 727 441	337 615 591	44.09	770 297 431	30.98
1924	67 569 529	79 346 650	34 827	184 745 509			16 843 488	11 237 594	5 238 256	365 017 853	41.03	889 566 147	28.57
1925	56 316 157	70 253 588	51 113	172 957 462			12 778 128	11 553 621	5 856 677	349 766 828	39.23	891 579 013	26.48
1926	56 534 099	85 702 657	18 991	164 575 462			10 185 965	9 742 545	4 710 246	331 467 965	38.31	865 205 198	26.70
1927	66 955 613	80 508 278	-	168 027 764			13 274 370	11 109 843	5 728 248	345 604 136	40.58	851 679 778	28.37
1928	55 965 638	84 424 327	-	169 121 730			13 835 803	12 427 850	5 820 573	341 576 221	41.06	832 013 572	28.57
1929	64 309 808	90 270 970	-	171 285 114			10 655 031	9 098 143	6 061 348	351 620 414	40.80	861 923 173	28.81
1930	46 188 149	88 548 945	21 444	51 633 761	30 821 472	62 391 285	8 850 875	7 644 045	3 496 149	299 576 125	40.49	737 945 652	28.70
1931	36 202 261	72 233 029	14 208	46 068 811	37 403 566	54 595 413	7 037 078	5 493 266	3 436 580	262 484 272	42.76	613 836 169	30.48
1932	28 051 775	61 931 140	11 863	33 558 321	27 955 585	49 879 719	5 110 553	6 290 418	3 817 122	216 606 496	47.76	453 533 497	30.87
1933	26 233 035	56 497 922	10 489	26 795 266	22 063 279	42 640 991	6 802 685	7 430 774	3 504 730	192 479 231	45.20	425 878 796	28.51
1934	30 138 149	54 138 672	13 389	25 032 715	20 461 118	42 383 677	6 847 546	8 144 350	4 183 735	191 343 531	41.58	460 128 837	26.16
1935	29 801 928	49 404 127	13 058	27 306 187	22 024 938	43 550 974	5 874 407	8 157 458	4 539 695	190 672 772	40.44	471 482 320	25.22
1936	28 922 684	49 276 809	15 052	33 828 464	20 140 674	43 461 946	8 675 123	11 317 375	5 086 818	200 810 945	38.96	515 370 369	23.69
1937	44 167 109	51 922 359	11 929	37 022 474	17 542 286	44 836 525	10 805 151	15 035 220	6 345 704	227 628 757	36.57	622 579 785	22.15
1938	36 446 116	54 665 695	10 286	41 564 962	18 670 615	43 870 154	7 757 949	12 003 714	5 727 459	220 189 000	40.28	547 976 642	24.00
1939	30 632 142	58 254 921	3 198	39 124 980	16 452 359	47 242 655	8 229 863	9 747 755	4 553 220	214 240 793	40.62	527 406 421	24.19

1. Annual Statements of the Board of Trade.



"The Bridge Builder".



**THE BRIDGE-BUILDER**

GILES. "BIT RICKETY LOIKE, BAIN'T IT, ZUR?"  
THE MINISTER OF AGRICULTURE. "DONT' YOU WORRY; WE'RE GETTING YOU ACROSS GRADUALLY."

Punch, June 16, 1937.

PART II

BRITISH AGRICULTURE AND GOVERNMENT POLICY  
TOWARDS THE AGRICULTURAL COMMODITIES.

BRITISH AGRICULTURE AND GOVERNMENT POLICY TOWARDS THE AGRICULTURAL  
COMMODITIES.

During the 1920s British agricultural policy became concerned with marketing and production reforms, and as a result of the depression these led to the formation of the marketing schemes and later the commodity commissions. Attempts at reform accompanied proposals regarding the larger issues of subsidies and protection and the size and nature of British agriculture. As the producer-controlled marketing boards showed themselves to be instruments of price-amelioration with little interest in reform, the government focused its plans for improvement upon the independent commodity commissions, armed with more regulatory powers than the boards. By 1939 all the major agricultural products were in receipt of subsidies or import protection, and were governed either by marketing boards or commodity commissions. An examination of the marketing reform policy will serve as an introduction to discussions of the individual agricultural commodities.

Agricultural policy during the 1920s was largely centred on general measures of financial and marketing assistance once the price guarantees and controls imposed in the Great War were removed during 1920-25. As agricultural prices fell, farm rates were halved in 1923 and removed in 1929, tithe payments were eased by the 1925 Tithe Act, and financial assistance was offered through Agricultural Credits Acts in 1923 and 1928. Measures were also introduced to promote co-operation, land settlement, tenant's rights, and to improve rural facilities. This generally laissez-faire approach was breached only by the Agricultural Wages (Regulation) Act, 1924 and by the British Sugar (Subsidy) Act, 1925, both emanating from the 1924 Labour Government.

Between the wars, the marketing of British farm produce was considered to be one of the weaker areas of domestic agriculture, and often inferior to that of its overseas competitors. Whilst the British farmer was capable of producing high quality output, it was often not graded, packaged, or marketed in a manner most suited to purchasers' requirements. The increase

during the 1920s of imported produce, reliably graded and packed in accordance with market needs, was a measure of overseas farmers' competitive success in the British market, and of domestic producers' failure to improve marketing techniques.

The Linlithgow Committee focused attention on marketing deficiencies and formed a basis for government reform in this area.<sup>1</sup> It was appointed in 1922 to inquire into the prices, costs, methods, sale, and distribution of agricultural produce in Great Britain, and to consider by what means the disparity between agricultural and retail prices might be diminished. It considered that this gap was unjustifiably wide, and that the public interest demanded a far more determined effort to reform the marketing and distribution machinery as a whole by standardizing and improving the saleability of domestic farm produce. These findings, however, were to remain substantially true even at the end of the 1930s. The real gap between agricultural and retail food prices rose 25% above 1911-13 levels in the 1920s despite a reduction during the War, and did not decline significantly thereafter.<sup>2</sup>

Most farmers considered marketing as a process which did not begin until the produce left the farm, and hence outside their responsibility, or even influence. The Ministry of Agriculture's Economic Series publications were intended to alter this situation, and to promote reform by increasing producers' awareness of successful technique and of inefficiency. The first report was devoted to co-operative marketing<sup>3</sup> and like the Linlithgow Committee, pointed out that co-operative societies could give producers the advantages of grading, standardization, bulk conveyance, sale in the best

1. Reports of the Departmental Committee on the Distribution and Prices of Agricultural Produce: Milk and Milk Products, Cmd. 1854, 1923, Fruit and Vegetables, Cmd. 1892, 1923; Meat, Poultry and Eggs, Cmd. 1927, 1923; Cereals Flour and Bread, Cmd. 1971; and Final Report, Cmd. 2008, 1924.

2. Appendix II and III.

3. Econ. Ser. No.1, Report on Co-operative Marketing in England and Wales, 1925.

markets, and the guidance of experienced managers, thus directly and indirectly raising farm incomes.

Although agricultural societies trading in most commodities did exist, they were nearly all on a very localized scale and marketed only 3½% by value of the output of England and Wales.<sup>1</sup> These co-operatives were usually fairly small, dealing in a single commodity, buying all of a farmer's output and perhaps also purchasing supplies; but there were national organizations for a single product such as milk or hops. Most ventures were too small to be economically viable, and of 326 societies started in 1901-23, only 148 remained in 1925.<sup>2</sup>

The output of British agriculture was often too diverse in any one locality for a single commodity co-operative to operate efficiently, and this problem was exacerbated by social as well as economic differences among farmers. Producers would not support such societies unless they had confidence in the venture, yet without full support these could not be large enough to employ permanent managers or to reduce overheads. Consequently the opportunities for marketing offered under the aegis of the Agricultural Organization Society, formed in 1901, did not always meet with success, although the co-operative purchase of farm requisites was a more practical proposition. Thus overseas farmers retained the initiative in the market. Their agriculture was often better suited to national co-operative ventures for single products, and especially in Denmark and the Empire, these were often formed exclusively for supplying the UK market.

Most of Britain's farm output was sold through a network of independent wholesale markets, historically developed for local needs but in a manner unrelated to the efficient national marketing of agricultural produce. There were two basic market groups; those in the producing areas where farmers sold

1. Ibid. p.27.

2. Ibid. p.172.

to country dealers and agents of city wholesalers, and those in the consuming centres where such middlemen, and local producers, supplied urban wholesale and retail outlets. In addition, there were a number of commission agents, dealers, wholesalers, retailers, and even other farmers, who bought direct from farms, and there was some producer wholesaling and retailing. The small and medium-sized country markets used by the majority of farmers offered little purchasing competition owing to the small number of buyers, and showed great sensitivity to comparatively minor changes in the level of supply. Large wholesale buyers especially, took advantage of their greater knowledge of the market than producers, and thus exerted a depressing effect upon farm incomes. The Ministry recognized the inability of many local authorities to regulate their markets more efficiently owing to the terms of their franchises, and considered that greater public control was required.<sup>1</sup> Yet, excepting reforms in livestock marketing, the structure of British agricultural markets was not greatly changed in the inter-war years.

Agriculture also faced problems presented by an industry composed of small-scale, highly-individualistic, unorganized producers, who lacked co-ordinated productive and marketing plans or suitable market intelligence. The 450 000 farms in Great Britain varied greatly in size, type, production costs, and quality and quantity of output, and often sold their produce immediately after the seasonal harvest in order to obtain ready cash. Certain commodities showed marked and inter-related periodic fluctuations in output and price.

The first real attempt by the government to improve the marketing situation came with the 1928 Agricultural Produce (Grading and Marking) Act. Following the example of the 1926 Merchandise Marks Act, it was designed to give to producers the commercial benefits of graded sales, and to assure customers that produce designated with a "National Mark" would be of a guaranteed standard. The Act provided for authorized grading, marking, and packing of agricultural produce, and for publicizing the National Mark system.

1. Econ.Ser.No.26, Markets and Fairs in England and Wales, Pt.VII, Final Review, 1930, pp. 191-9.



A number of schemes were operated under the supervision of the National Mark Committee, although the amount of produce so marketed was small.<sup>1</sup>

Through its popularity with distributors and consumers, and by the economies it allowed, standardized produce went a long way towards selling itself, and several co-operatives found it a commercial advantage to use the schemes. However, small farmers certainly found the regulations too rigorous, and most producers left standardized, well presented and advertised brand-name bulk-produce to be further exploited by overseas producers.

With the onset of agricultural depression from 1929 the Labour Government decided to introduce further measures to reform the individualistic and inefficient marketing system. Output of home produce, which might have been manageable in more prosperous times, became a relative surplus which could not be absorbed at remunerative prices. Farmers' incomes from certain major agricultural commodities were significantly reduced and many agricultural co-operatives collapsed. The government however, was not yet prepared to break with past policy. The Cabinet concluded in March 1930 that "No proposal that involved either a crude subsidy or protective tariffs could be considered,"<sup>2</sup> and the Committee on Agricultural Policy stated that it could not recommend "a policy which would place agriculture on a peculiar footing and extend to it state assistance which is denied to other depressed basic industries."<sup>3</sup>

Instead, it was considered time to further the policy of successive governments and rebuild the whole structure of agricultural marketing.<sup>4</sup>

To relate market supplies and requirements with excessive home or import

1. MAF 34/472, National Mark Committee.

2. CAB 23/63, Cabinet Meeting, 11 March 1930, Conc.1 (a).

3. CAB 58/10, EAC(H) 97, Committee on Agricultural Policy, Report, 7 July 1930, p.36.

4. Econ. Ser. No.33, The Agricultural Marketing Act, 1931, p.8.

competition was seen to necessitate large-scale organization on a commodity basis and a centrally directed and coherent marketing policy. It was thought that this need not involve centralized administration but that it could not be brought about voluntarily. The result was the 1931 Agricultural Marketing Act which allowed the producer (who had most at stake), to commence comprehensive mobilization for group action in the market. It was also hoped that this might invite reform in the later stages of sale.

The Act permitted the formation of nationwide single-commodity, producer-controlled marketing boards intended to overcome weaknesses inherent in the market system and in voluntary combination. The boards might economically operate numerous marketing services for producers and remove the disparity in bargaining power between the many scattered units of primary production and the relatively few and well organized wholesalers and distributors. Agriculture could no longer ignore the steady growth of monopolistic combines and practices in trade and industry which had occurred since the War, and which by 1931 were a feature of flour milling, the meat trade, milk processing, bacon curing, sugar manufacture, brewing, and certain areas of wholesale and retail food distribution, especially milk. A marketing board would thus control all the output of an agricultural product, negotiate sales under its own regulations, and distribute returns to producers.

Three kinds of marketing boards were contemplated.<sup>1</sup> These might be trading bodies to be the sole agents for buying, selling, and even manufacturing the regulated product, and able to operate a pooling system; regulating administrative bodies with no commercial functions but able to issue instructions for some or all of the operations involved in marketing

1. Econ. Ser. No. 33, The Agricultural Marketing Act, 1931, pp. 27-8.

a product; or bodies combining both sets of powers. The boards might regulate prices, prescribe grades, transport, manufacture, and advertise a product, publish market intelligence, and promote co-operation, research and education. Finance would be provided from producer-levies, supported by loans through the Agricultural Marketing Facilities Committee from Agricultural Marketing Funds for Great Britain, England and Wales, and Scotland. Because agricultural co-operation was better established in Scotland, the Act's Scottish clauses allowed a reorganization commission to be vested in the Scottish Agricultural Organization Society, which had already established several large co-operative ventures. The governing bodies of the existing co-operatives might also be made into boards, thus enabling experienced societies to continue trading.

The 1931 Act was primarily an enabling measure, and with laissez-faire attitudes still strong a number of 'safeguards' were incorporated into it. Schemes might only be submitted on the initiative of producers, although the Minister of Agriculture might assist in the drafting through a reorganization commission. Any proposed commodity scheme had to be publicized, subjected to public enquiry and parliamentary approval, and be accepted by a two-thirds majority vote from over half of its producers (by number and output). The Minister might amend any scheme, and like producers, could revoke it. Committees of Investigation and Consumers' Committees were established for Great Britain, England and Wales, and Scotland. The Consumer Committees were derived partly from separate government plans for a food council and for consumers' councils for all areas of food, clothing, and coal marketing, and earlier proposals to prevent the restraint of trade through trusts and combines.<sup>1</sup>

1. CAB 23/62, Cabinet Meetings, 22 Oct. 1929, Conc. 1, 30 Oct. 1929, Conc. 6; CAB 23/63, Cabinet Meetings, 26 May 1930, Conc. 4, 2 April 1930, Conc. 6, 9 April 1930, Conc. 11; CAB 23/65, Cabinet Meeting, 29 Oct. 1930, Conc. 13.

In practice neither the economies of large-scale operation and market supply planning, nor considerations of a strengthened producer position in the face of large purchasing combines, had much to do with the determination of farmers' attitudes to the 1931 Act or the use made of it. This was influenced by producers' reactions to agricultural depression and falling farm incomes, caused by increased domestic production and low priced exports to the British market. The Marketing Act gave the basis for long-term planning when immediate tangible aid was required, and had the weakness that it called upon farmers to undertake the new and difficult task of marketing reconstruction without the assurance that the market would be protected, against unrestricted supplies of cheap imports. Hence the NFU condemned the Act as useless.<sup>1</sup> It was used only to establish a scheme for hops. The initial response to proposals for other commodities was hesitant and was also generally directed towards areas where imports were not a major consideration and where national co-operative ventures already existed. In order to give producers the required incentives for organization they had to be assured that import controls would form a part of any supply regulation.

A government statement on agricultural policy in February 1932 outlined the intended development of marketing organization.<sup>2</sup> It distinguished between measures required to meet the immediate critical situation in certain commodities and the long-term policy designed to facilitate development in those branches of agriculture that were likely to be the most remunerative, especially those lending themselves to rapid expansion. The former category included the proposed Wheat Act and Import Duties Act. Long-term policy envisaged planned development through marketing schemes, specifically for milk, potatoes, and bacon, with assurances that where necessary suitable complementary action would be taken regarding imports, especially for the quantitative regulation of bacon.

1. NFU Year Book, 1931, pp.411-12.

2. Hansard, Vol. 261, Cols. 1029-1032, 11 Feb. 1932.

Schemes were prepared for these products on the strength of the announcement. For potatoes and milk the proposals as finally adopted were broadly covered by the 1931 Act, but recommendations for pigs and pig products went far beyond the confines of existing legislation.<sup>1</sup> The system of expanding home supply planning, quantitative import control, and a secondary product development scheme, required further statutory powers and led directly to the 1933 Agricultural Marketing Act.

The shift to general and agricultural protection in the winter of 1931/2 allowed the 1933 Act to provide for the quantitative regulation of imports of any agricultural or secondary food produce, as an essential part of the machinery for securing the stability of the UK market and the expansion of the home producers' share. However, import regulation orders were contingent upon the existence of an efficient producer organization for the development of the product, and a later attempt to remove this proviso was firmly resisted.<sup>2</sup> The Anglo-German Treaty, 1924 and the International Convention for the Abolition of Import and Export Prohibitions and Restrictions, 1929 had ruled that any scheme for controlling imports must also control home production, but it was also felt that only in an organized form could producers benefit fully from import controls.<sup>3</sup> The Act also enabled any scheme to determine through a Ministerial order the quantity of home output of a regulated product which might be sold by a registered producer, either by voluntary agreement, or where imports were controlled, according to a specified method and with regard to past output.

Development schemes intended to rationalize the production of secondary products were also incorporated in the Act, and were governed by

1. Econ. Ser. No. 37, Report of the Reorganization Commission for Pigs and Pig Products, 1932.

2. CAB 23/90, Cabinet Meeting, 3 Nov. 1937, Conc. 11.

3. MAF 34/450, The Marketing of Home Food Produce, 1930, pp.3-6.

the same procedures as marketing schemes. They had to be submitted by two or more boards, provided that one marketed the secondary product whilst another regulated the primary product from which it was derived.

A Market Supply Committee was established as a permanent expert advisory body to constantly review the supply and demand of agricultural products with respect to producers and consumers, and to report to ministers. However, most of its functions were soon taken over by other bodies. The Produce Markets Supply Committee, Trade and Agriculture Committee, and Agricultural Policy Committee dealt with produce in respect of overseas trade agreements, the Import Duties Advisory Committee and Food (Defence Plans) Department incorporated the MSC's foreign intelligence work, and the Ministry of Health's Advisory Committee on Nutrition took over its consumption surveys.<sup>1</sup> Consequently, its full functions of reviewing the market and advising on quota levels operated only where the government assumed powers to regulate imports without regard to treaties. Later, commodity commissions took on these duties for certain products, leaving the MSC mostly responsible for bacon and potatoes.

The Agricultural Marketing (No.2) Act, 1933 merely added further financial powers, chiefly allowing the boards to receive government loans. The Co-ordinating Committee was the final part of this marketing policy. Established in 1934 to promote uniformity and coherence in the boards' activities, and representing the boards and the NFU, it was without statutory powers and accomplished little.<sup>2</sup>

Whereas the 1931 Act was designed for more efficient marketing and allowed price support through grading and quality controls, the 1933 Act concentrated on supply restriction, and gave the boards more explicit powers

1.MAF 34/109, Activities of the Market Supply Committee, (1938), pp.1-6.

2.MAF 34/915, Co-Ordination of the Marketing Boards' Activities, 1934.

to control imports and to limit domestic output. Like the Ottawa Agreements, the Act also envisaged that long-term planning need not involve a reduction of imports, but the rational sharing of an expanding demand among organized national groups of British and overseas producers. Policy was represented as being a projection into the international field of the principle of supply planning.

In the economic atmosphere of the 1930s, the planned restriction of supply seemed preferable to the economic uncertainty and waste of *laissez-faire*. Whilst price slumps inflicted heavy losses on producers, they did not necessarily involve a corresponding price reduction for consumers. Intermediaries were apt to inflate their profit margins, as occurred in 1931-3,<sup>1</sup> and retailers were always reluctant to make adequate price concessions commensurate with conditions in the wholesale market. By controlling output and supporting the weak market position of unorganized farmers, the Acts were to permit a solution to unstable prices without damaging consumers' interest.

The Boards exhibited a sense of responsibility and moderation in the use of their powers for price maintenance, and averted the collapse of the areas under their concern. However, the political climate and economic circumstances which justified the restrictionist policies also imposed moderation. The government would not allow monopoly price manipulation, and the product had to be disposed of in what was still essentially a buyers' market. The schemes helped only to improve prices, <sup>but</sup> they did not alter the balance of power in the market.

Farmers' interests were largely centred on price amelioration, which was most successful with hops, potatoes, and milk, where home producers had a virtual monopoly and some previous experience of co-operative marketing. The 1932 Hops Marketing Board stabilized returns at a remunerative level through production controls, while the 1933 Potato Marketing Board operated similarly but chiefly through the use of a riddle

1. Appendices I and II.

to restrict sales.<sup>1</sup> The Milk Marketing Boards stabilized returns through the use of discriminating liquid and subsidized manufactured milk prices. However, the 1934 Pigs Marketing Board became preoccupied with trying to overcome difficulties inherent in the scheme. The Bacon Marketing Board was simply a piece of negotiating machinery, and the 1938 Bacon Development Board had achieved little by 1939. The pig schemes attempted to expand domestic production in the face of Danish import competition, and did not meet with the same degree of success attending the other schemes where the principal problem was the management of a domestic surplus. A poorly structured pricing policy eventually led to the bacon pig schemes falling into abeyance in 1937 and 1938.

In general, the boards succeeded in doing comparatively little to implement the basic requirements of the Linlithgow Committee for the more efficient marketing of produce, intended to narrow the gap between farm and retail prices. But this area of marketing lay largely outside the schemes' control. However, the two major milk boards made practical improvements in marketing and promoted clean milk production. Producers were naturally mainly concerned with prices, and were reluctant to enter into organized marketing with its accompanying restrictions on individual freedom. They availed themselves of the facilities offered for reorganization while these were the only means of protection from falling prices. After the Wheat Act, the Ottawa Agreements, the bi-lateral trade treaties, and the 1934 cattle payments, it was apparent that in order to obtain financial support or import regulation, producers did not have to take any final decision on marketing schemes. The appointment of a reorganization commission might do more than merely attract government attention. Consequently, after 1934, the Marketing Acts failed to evoke further marketing schemes, for the qualification for assistance to agricultural sectors turned upon their distressed condition

1. This imposed restrictions upon the size of potatoes that might be marketed for human consumption (ware potatoes).



rather than the willingness of producers to over-haul their marketing methods. Thus two Scottish raspberry schemes were rejected by producers, the NFU Sugar Beet Committee replaced a proposed marketing scheme, and plans drawn up for fruit, livestock, eggs, poultry, and tomatoes were never submitted to farmers.

As the government was forced to introduce financial assistance in areas where no marketing scheme was operating, some alternative administrative machinery was required. The Wheat Commission was established in 1932 to administer permanent aid, but the government was initially reluctant to grant powers beyond those required to meet what it saw as a temporary situation. It was still hoped that marketing schemes would be forthcoming. Consequently the Cattle Committee was only given powers to provide payments, and the sugar subsidy was continued to 1936 before additional controls were introduced.

After 1934 it became clear that a new direction was needed for agricultural policy. The government realized that production and import problems were not going to ease with any early world recovery, that levy-subsidies could not be introduced, and that payments would have to be direct from the Exchequer. It was also clear that while farmers were willing to accept aid, they were opposed to using the marketing schemes to effect reform, and saw the boards only as instruments of price amelioration. It was thus considered necessary to create an "impartial" organization to administer the permanent subsidies, and to safeguard the interests of taxpayers and consumers through the provision of increased powers to improve production and marketing efficiency on a commodity basis. It was considered that a government-appointed quasi-independent body, a non-representative "commodity commission", would cope better than a government department with intricate technical and administrative details which payments and planned reorganization would involve, and might avoid the limitations of a producer controlled organization.

The commodity commissions were instituted to administer financial assistance, but chiefly to advance improvements through commission by-laws and ministerial orders. . Only the 1932 Wheat Commission was conceived of solely for levy collection and subsidy administration. The 1936 Sugar Commission was introduced in order to promote factory production efficiency,<sup>1</sup> and the 1937 Livestock Commission included machinery for the reform of markets and slaughterhouses as well as subsidy administration duties.<sup>2</sup> A milk commission was proposed in 1938, and was to be provided with wider powers than the existing commissions in order that it might achieve more reforms than the marketing boards had done. However, it had to be withdrawn as a result of opposition from the NFU and the milk marketing boards to the extent of its control. A Poultry Commission was proposed in 1939 in order to reduce the incidence of disease and to reorganize marketing; two of the principle reasons for which the marketing schemes had been devised. Price insurance schemes for barley, oats, and sheep, introduced by the 1937 Agriculture Act and 1939 Agricultural Development Act, were administered by the existing commissions, and extensive powers akin to those of the commodity commissions were granted to the Bacon Development Board when it was formed in 1938.

After 1936 the commodity commissions became the focal point for agricultural reform. Although the government was not opposed to new approaches under the Marketing Acts, no further proposals were encouraged or submitted after 1936. Some of the acts establishing commissions provided for the delegation of a limited range of appropriate functions to democratically elected producer-controlled organizations, but only with the supervision of the independent commission responsible to the government. The emphasis of

1. Report of the UK Sugar Industry Inquiry Committee, 1935, Cmd.4871, Beet Sugar Industry, Government Proposals, Cmd.4964, 1935.

2. The Livestock Industry Bill, Cmd. 5362, 1937.

new reform lay with the commission, working throughout the whole process of operations and interests involved in the production and marketing of a commodity. By not making full use of the opportunities offered in 1931-3 farmers had less formal access to decisions affecting the marketing process.

The position of the producer-controlled marketing boards in relation to the nominated commodity commissions, and the disparity between their powers, constituted a problem which had not been resolved when both types of organization had to give way to a more authoritarian system under the Ministry of Food after the outbreak of war. As problems of supply rather than overproduction became the primary concern of wartime agricultural and food policy, the marketing boards and commodity commissions became less appropriate or necessary. The functions of producers under the schemes were largely suspended, and the Ministry of Food was established to plan the supply and disposal of the nations' food requirements.

HOP PRODUCTION: CONTROL, CO-OPERATION, AND MARKETING SCHEME

Hop growers experienced controlled or co-operative production and marketing for almost all of the period 1917 to 1939. Control was exercised during the First World War at the request of growers in response to government limitations on beer consumption. Because demand for hops was falling this supervision was not withdrawn until 1925, and the industry then established a co-operative venture which was forced into liquidation in 1928 as surpluses became unmanageable. Hop growers were more familiar with the advantages of organized marketing than any other sector of agricultural producers, and they were the first to put forward a scheme under the 1931 Agricultural Marketing Act as a solution to declining markets and depressed incomes. The Hops Marketing Scheme reconstituted the principles of earlier organizations, even when, under the provisions of the 1933 Agricultural Marketing Act, restrictions were imposed on production at the request of growers. The Scheme successfully stabilized output and receipts, and in 1938 the first review of the reorganized industry recommended only minor technical changes.<sup>1</sup>

Hop Production

Hop cultivation was highly specialized and the most localized of all agricultural sectors. It was concentrated in Kent, parts of Sussex, and on the Hereford-Worcester border. Few farmers specialized predominantly in hops, which usually averaged below 20 acres on a mixed farm.<sup>2</sup>

Hops were a small and diminishing part of agriculture. In 1900, 51 000 acres of hops were cultivated, but this fell to 34 520 acres by 1911-13, and declined further to 18 812 acres in 1939 owing to the reduction in beer

1. Econ. Ser. No.46, Hops, Report of the Reorganization Commission for England, 1938, pp.21-3, 35-6.

2. Viscount Astor and R. Seebohm Rowntree, British Agriculture: The Principles of Future Policy, (1938), p.130.

consumption.<sup>1</sup> The brewing industry formed the growers' only market, and there were no saleable hop by-products. Any excess production had to be destroyed, or disposed of for fertilizer at a negligible figure of a few shillings per cwt.<sup>2</sup>

Hop growers faced more difficulties than many other farmers. Hop cultivation was labour intensive with a long initial lag to production and heavy fertilizer requirements. Plants reached full bearing capacity only in their third season, but then had an average productive life of ten to fifteen years. Yields were especially susceptible to weather, disease, and variations in productive methods. A producer might refrain from picking part of his crop in some years, but he could not abandon the heavy capital expenditure invested in growing plants, fertilizers, and equipment. Thus in a period when brewers' demand was contracting, there was always a likelihood of excess production or productive capacity. The two major factors affecting beer consumption were the general state of industrial prosperity and the level of excise duty, and because hops represented only 1-2% of the retail price of beer, price changes by growers could not influence the size of their market.<sup>3</sup> Thus having only one stable or declining outlet for which supplies underwent considerable variation, usually in excess of requirements, hop growing was particularly suited to controlled production and marketing, and in the late 1920s this became increasingly necessary to secure a measure of stability for the industry.

#### The First World War and Hop Control, 1917-25

Government intervention in the industry and the origins of controlled hop marketing lay in the Great War. In 1917 growers requested the

1. Agricultural Statistics.

2. Econ. Ser. No. 46, Hops, p.4.

3. Ibid. p.10.

government safeguard the industry from the disorganization threatened by the drastic reduction in brewing which had been ordered in late 1916 and early 1917. A notice from the Board of Agriculture calling for a voluntary curtailment of production was not effective and could not secure uniformity. Growers then requested that the government devise a scheme to secure stocks and ensure that the coming crop was not subject to speculative dealing or otherwise reduced to a nominal value. The government's response intensified the steady decline in hop production when the Hops (Restriction) Order, 1917 compelled growers to reduce their acreages to half their 1914 levels without compensation. However, imports were prohibited unless under licence from the Hop Controller, and a Hop Control Committee was instituted. This Committee governed the industry, buying hops from growers at the cost of production plus a "fair profit", and selling to brewers at this price plus administration costs. A trade pool was operated to control prices. The Committee was composed of growers, merchants, factors, brewers, and Ministry of Food officials, in order to ensure that this heavy intervention in the market operated equitably on all sectors.<sup>1</sup>

The wartime state of the industry rendered control necessary to 1920 when, at the request of all parties concerned, it was extended to allow the industry time to adjust to peacetime conditions. Further support was given under the Hops (Prohibition of Imports) Order, 1920 which restricted importations, while responsibility for hops was transferred to the Ministry of Agriculture under the Ministry of Food (Cessation) Order, 1921.

However, during 1920-25 the conjunction of a number of factors made it necessary to continue support beyond the date on which control was initially to have been withdrawn. It was assumed that beer consumption would increase from 1920, but it fell rapidly to 1922.<sup>2</sup> It became clear in 1923 that a large hop surplus could be expected, and consequently the Hop Controller

1. MAF 43/56, Note on Hop Control, 18.4.1925, pp.1-2.

2. Table H.I.

gave each grower notification of the output he would be enabled to sell, and the proportion of foreign hops that each brewer might use (normally for flavouring special beers) was reduced from  $\frac{1}{3}$  to  $\frac{1}{6}$ .<sup>1</sup> The 1924 crop was exceptionally large due to a very high yield, and resulted in a surplus that was still being administered in 1934 by a Hop Control Committee.<sup>2</sup>

As a result, when control ended in 1925, the domestic crop was afforded the protection of a duty of £4. a cwt. on foreign hops and £1. 6s. 8d. on Empire produce, and this was renewed in Finance Acts to 1941.<sup>3</sup> However, imports were small in relation to total production and the market situation was not promising. In 1925 brewers were carrying large stocks, much of the 1924 output was unsold, and another heavy crop was expected from a total acreage which had risen by over half since the end of the War.

#### The English Hop Growers Limited

As a result of fears of continued oversupply, on the removal of official control in 1925 growers instituted their own control through the English Hop Growers Ltd. (EHG Ltd.). This producer co-operative represented the growers of 90% of the acreage of hops, and was intended to maintain effective marketing. Members took shares at 2s. for each of their acres of hops; were not to exceed their 1924 acreage without the society's consent; and contracted to have all their output sold by the society for the next five years.<sup>4</sup> Hops were graded, valued, and sold, with the total receipts less expenses being distributed in proportion to the value of hops received from each grower.

1. MAF 43/56, Note on Hop Control, p.4

2. MAF 43/56, Hop Control Committee.

3. MAF 40/76, Notes on Import Duty on Hops, 1938; Finance Acts, 1925, 1929, and 1937. This was more than the duties initially recommended by the Interim Report of the Agricultural Tribunal of Investigation, 1923, Cmd. 1842, 1923.

4. Econ. Ser. No. 46, Hops, p.5.

Although the society attempted to stabilize hop prices at £10. per cwt., which was regarded as a reasonable return for efficient growers, average prices never reached this level.

The pressure of mounting surpluses and stable demand brought about the collapse of the society within four years of its foundation. The company urged its members to reduce their acreages in order to relate production more closely to demand, but while some growers responded the society's position weakened, for farmers outside the scheme had no limitations upon their acreage and yet benefited from attempts to establish remunerative prices. Non-members remained outside it, as did new growers, and existing members sought release. The proportion of the hop acreage represented by the society fell from 86% of the total in 1925 to 79% in 1928, and over 300 000 cwt. of hops were destroyed or used for fertilizer in 1924-7.<sup>1</sup> The society could not operate under these conditions and went into voluntary liquidation 1929.

Three disastrous years followed the company's collapse. While surpluses remained, the absence of supervisory control resulted in continued over-production in relation to declining beer consumption. Prices per cwt. fell from 240s. in 1926-8 to 113s. in 1929-31.<sup>2</sup> As losses mounted the total hop acreage fell from 23 986 acres in 1929 to 16 531 acres in 1932, and 30% of growers left the industry.<sup>3</sup>

#### The Hops Marketing Scheme, 1932

In this situation the opportunities for comprehensive organization with statutory powers as offered by the 1931 Agricultural Marketing Act were quickly taken up by hop growers. Of all farmers, they were most familiar with the benefits of controlled production and marketing, and saw it as a

1. Econ. Ser. No. 46, Hops, p.6.

2. Parker, H.H., The Hop Industry, (1934), p.309.

3. Econ. Ser. No. 46, Hops, p.6, and Agricultural Statistics.



solution to their current problems.

Growers submitted the Hops Marketing Scheme in March 1932, and after gaining the approval of 94% of producers,<sup>1</sup> it commenced operations in September. The Hops Marketing Board operated as the sole vending agent. It fixed prices, pooled sales, and paid producers in relation to the value of their hops.<sup>2</sup>

The Board was aware that it had no powers to prevent production rising in response to the rise in hop prices during 1930-2, which by encouraging increased output might produce a renewed price collapse. Hop prices and per-acre returns were well below average in those years, but rose as a result of the reduction in acreage, moderate harvests, the lowering of the excise duty on beer during the 1932 harvest, and the potential for the growth of exports offered by the repeal of prohibition in the US. The drafters of the Scheme had realised that the fate of the EHG Ltd. might be repeated, and had provided for this by a system of producers' sales quotas in order that the Board might relate supply and demand. These provisions were removed, however, following the public inquiry, on the grounds that they ought not to be adopted without further careful consideration. Not only was the government cautious in granting powers to the first agricultural marketing scheme, but the 1931 Act did not allow for the direct quantitative regulation of supply. Consequently, in 1933 the Board prepared amendments for production quotas, now made possible by the powers granted under the 1933 Agricultural Marketing Act. After gaining the approval of 98% of producers, the proposals were modified slightly in parliament, and incorporated in the Hops Marketing Scheme (Amendment) Order 1934, which was to last until July 1939.

1. The vote was 94% of producers in favour, covering 93% of the output. Econ. Ser. No. 46, Hops, p.7.

2. Growers who did not sell their hops were exempted from the Scheme, and thus six brewers were enabled to grow their own hops, amounting to 5% of the total acreage in 1937, Ibid. p.35.

As a result of this amendment the industry in the 1930s was composed of those growers who had been efficient enough to continue production after the collapse of the EHG Ltd.. Each registered producer occupying a farm in September 1933, which had grown hops in 1932, was granted a "basic quota". This was generally equal to the average annual quantity of hops he had picked in 1928-32. Growers who had reduced their acreage, or temporarily moved to another crop before the quota was fixed, were thus deprived without notice or compensation of growing their full acreage of hops, for which they probably paid when they took the farm. An estimate of the total demand for hops was made by the Board in each season. Then the ratio by which this estimate exceeded the total of all basic quotas was applied to give each farmer a "seasonal" quota which would receive the full market price. Any excess produce was sold at whatever price could be obtained. Seasonal quotas were transferable in whole or in part with the Board's consent, in order that the maximum output might receive the full price.<sup>1</sup> Should the seasonal quota exceed 110% of the basic quota then the Board was required to allocate a new basic quota.<sup>2</sup> However, from 1934, output was fairly constant and approximately equal to the brewers' requirements.<sup>3</sup>

It was not easy for an efficient farmer to expand his basic quota. Although no new allocations were made these quotas were available for purchase with the Board's consent where a farmer died or went out of production of the whole or part of his farm. Yet in practice, it was almost impossible for a farmer to start growing hops that would receive the full quota price.<sup>4</sup>

1. When the crop was large this transfer cost might be as high as £4. a cwt., but when the crop was short as in 1937, the cost was 5s. a cwt. when obtainable. Econ. Ser. No. 46, Hops. p.32.

2. Hop Marketing Scheme (Amendment) Order, 1934.

3. Table H.II.

4. Quotas were sold at about £12. per cwt., and thus raised the value of a 200 acre farm with 20 acres of hops by about £2 000, and increased the rent from £200 to £300. Astor and Rowntree, Op.Cit., p.130.

Despite the need for production controls the Brewers' Society was initially vigorously opposed to the quota.<sup>1</sup> The brewers feared that yields could not be controlled and that output might fall below requirements, forcing them to incur heavy costs by resorting to foreign hops. They believed incorrectly, that inefficient growers would be assisted at the expense of efficient producers and that the Board would maintain an artificial shortage so long as the heavy import duty existed. Brewers also feared that the Scheme would not respect the tradition of their having first call on a growers' hops in the next season. This was necessary in order to maintain the flavour of their beer.<sup>2</sup> Brewers feared the full consequences of an unprecedented producer-controlled monopoly structure and wanted assurances that they would get all the English hops of the types they needed at fair prices.

As a result of these complaints to the Committee of Investigation in 1934, the Minister of Agriculture appointed the Provisional Hops Committee. This represented the interested parties and was to secure closer collaboration between growers and brewers. It would also advise on the quota principle and on long-term planning. The Committee approved the 1933 Amendment Order, and produced an Agreement between brewers and growers and plans for a permanent joint committee. This gave brewers the assurances they required and became a significant, if unofficial, part of the mechanism of the Hops Marketing Scheme.<sup>3</sup>

As a result of the Agreement, the Hops Marketing Board and Brewers' Society together governed the production, marketing, sale, distribution, and processing of all hops in Great Britain.<sup>4</sup> Under the Agreement an annual

1. MAF 34/734, Committee of Investigation, Complaints by Brewers, 1934.

2. In fact contracts between the Board and individual brewers continued to recognize this system.

3. Report of the Provisional Hops Committee, Cmd. 4628, 1934; See also MAF 34/186.

4. The Brewers' Society represented 95% of brewers producing 98% of the domestic barrelage, Econ. Ser. No. 46, Hops, p.13.

estimate of demand was made in April by the impartial members of the Permanent Joint Committee, in consultation with the Board's and Society's representatives.<sup>1</sup> An official estimate of the annual demand was then adopted after allowing for the previous year's unsold stocks. Brewers were then required to make, in advance, firm contracts for at least two-thirds of the total estimated demand. Because of variations in the quality of hops, brewers were not prepared to purchase in advance a proportion of the estimated demand high enough to make unnecessary machinery for the purchase and carrying forward of any unsold balance. Consequently, unsold quota hops were purchased from a Levy Fund built from the proceeds of a 10s. per cwt. levy on all the hops sold to brewers. The control of the Fund and its hops was vested in the Committee, and the maximum liability limited to one-third of the estimated demand. Above this the levy might be discontinued, and advances to the Committee were obtainable on the security of future levies on the hops it owned.<sup>2</sup>

The Agreement further provided that for the four years it was to operate, 1934-8, the average price of hops would be 180s. per cwt. including the hop factor's commission and the Board's expenses. Actual hop prices would vary for different qualities and types, and differences of soil and locality were held to be accounted for by the rates of farm rents. The price was intended to provide a 20% profit as had been standard during hop control in 1917-25, and was adjustable in the event of a 15% or more alteration in farm wages.<sup>3</sup>

Finally, it was agreed that imports were not to exceed 15% of the total market demand except in the event of a short crop. This was also subject to safeguards for brewers who required special varieties of foreign hops.

1. Brewers had previously estimated their demand in November after the September harvest. MAF 34/186, Report of the Provisional Hops Committee, 1934, pp.3-6. and Cmd. 4628, 1934.

2. Econ. Ser. No. 46, Hops, p.13.

3. MAF 34/186, Report of the Provisional Hops Committee, 1934, p.7.

Should this level be exceeded representation might be made for import control by an order under the 1933 Marketing Act.

The Hops Marketing Scheme in Operation, 1933-39

The operation of the Hops Marketing Scheme restored confidence and stability to the industry. The Agreement and the Permanent Joint Committee effectively removed brewers' initial doubts and fears and formed a permanent if unofficial part of the apparatus. Prediction of output was made easier by the greater adoption of scientific developments.<sup>1</sup> Hop sales were rising slightly, but not quite as much as beer production, due to brewers using up their reserves of older, cheaper hops, and the trend from bitter to mild ales which used less of the crop.<sup>2</sup> Average prices, output, and acreage were steady and brewers' requirements were always fulfilled.<sup>3</sup>

Excessive production and waste occurred in the first few years, but was effectively managed by the Levy Fund. The initial 30 000 cwt. surplus was a result of the quota being announced in July when production was in an advanced state. A 9 000 cwt. excess in 1935 was followed by 13 000 cwt. of oversupply in 1936, but none at all in 1937-9.<sup>4</sup> By publishing estimates of demand early in the season the Board enabled producers to reduce expenses by leaving their excess production unpicked. Non-quota hops received no payment in 1934 or 1936, although 8 180 cwt. received 6s. each in 1935 when quota sales were slightly less than the estimated demand, and non-quota hops gained a substantial payment in 1937. In 1938 and 1939 all produce gained the quota price. The Levy Fund was consequently able to meet all calls

1. MAF 34/186, Report of the Provisional Hops Committee, 1934, p.2.

2. Econ. Ser. No.46, Hops, p.17.

3. Tables H.I and H.II.

4. Econ. Ser. No.46, Hops, p.15.

upon it in respect of the 1935 and 1936 crops, allowing the levy to be lowered to 3s. a cwt. in 1937.

Profits to growers were initially stable under the Scheme, but declined as labour and fertilizer prices rose.<sup>1</sup> Under Hop Control profits were held at 20% of costs. Profits fell under the EHG Ltd's. operation and resulted in heavy losses which had to be spread across the other enterprises of the mixed farm. However, other arable output was also adversely affected by deepening agricultural depression and the hop acreage was reduced sharply in 1930 and 1932.<sup>2</sup> The Scheme restored incomes in 1933 and then attempted to hold prices steady, initially 20% above costs. Prices were then raised under a new agreement in 1939.

Under the Scheme growers were able to anticipate as never before the quantity of hops for which they would receive a known payment. This was extremely important for an industry in which capital investment was considerable (£300-500. per acre), annual production costs were high (£90-130. per acre), and where the plant remained productive for many years.<sup>3</sup> Improvement and investment were enabled by the stable returns under the Scheme, for all hops were graded and valued such that the average return was 180s. a cwt. This provided incentives for improved quality. Without control oversupply and periodic depression could have persisted throughout the 1930s.

Brewers, as well as growers, were satisfied with the hops marketing organization once their initial doubts were resolved. As consumers, the brewers' role in the free negotiation of prices was maintained by the Agreement, and they also had recourse to the investigation and consumers' committees. The government allowed the monopoly to exist because hops were a minor factor in the cost of beer, and both sides of the industry were

1 Appendices II and III. Incomes for a hops, fruit and vegetable farm are given in Graph F.IIa.

2. Table H.I.

3. Econ. Ser. No. 46, Hops, p.18 and MAF 34/186, Report of the Provisional Hops Committee, 1934, p.2.

equally balanced. Also, the whole operation of the Scheme placed no charge upon public funds, but was considered to have stabilized the market to the advantage of all concerned.

Consequently, when the quota and Agreement expired in 1938, the Hops Reorganization Commission recommended that the Scheme be renewed with only minor amendments.<sup>1</sup> The government was still concerned about the monopolistic nature of the quota, and extended it for a fixed period of seven years.<sup>2</sup> Although it had operated for longer than an experimental period, it was considered that further assessment was required before any long-term policy was settled. Re-allocation of basic quotas was allowed at the holder's request and seasonal transfers no longer required the Board's assent.<sup>3</sup>

The industry's acceptance of the Scheme was marked by the renewal of the Brewers' Agreement.<sup>4</sup> However, hop prices, as well as the estimated market demand, were to be fixed annually, commencing with 190s. per cwt., in 1939 — a price regarded as unfair by both growers and brewers. Brewers now undertook to make firm contracts in advance for 80% of the estimated demand and the allowed proportion of hop imports was raised to 17½%. These modifications were essentially minor technical or quantitative changes, and involved no points of principle or policy.

#### The Hop Industry, 1917-39

Throughout the inter-war years, continuity of approach characterized the organization of the hop industry. The Marketing Scheme bought stability and cohesion to the industry, but was mostly an extension of earlier policies in a stronger producer-controlled form. However, although the Hops Scheme

1. Econ. Series, No. 46, Hops, Report of the Reorganization Commission for England, 1938.

2. Hops Marketing Scheme (Amendment) Order, 1939.

3. Ibid..

4. Econ. Ser. No. 47, Hops, Report of the Second Reorganization Commission for England, 1946, Appendices A and B.

was one of the most successful of those operating under the Marketing Acts, the government was cautious of its monopolistic nature. Yet it gave profits to an industry that had made losses for at least three years, provided security for investment, and stabilized prices by relating output to demand. The 1938 enquiry did not need to look further than the existing scheme. The stationary level of the hop acreage from 1934 to 1939 indicated that the industry had been placed in a secure and stable position.



Table H.I

Statistics Relating to Hops, 1911-13 to 1939.<sup>1</sup>

Year	PRICE PER CWT. (TO GROWER)		VALUE OF OUTPUT PER ACRE		ACREAGE		PRODUCTION	YIELD	RETAINED IMPORTS	BEER CONSUMPTION (UK)
	s.	d.	£.	s.	acres.	cwt.	cwt. per acre	cwt.	000's bulk barrels.	
1911-13	166	0	77	4	34 520	319 007	9.3	201 096	35 931	
1914	79	0*	54	10*	36 661	507 000	13.8	83 590	35 847	
1915	116	0*	42	7*	34 744	255 000	7.3	199 347	30 806	
1916	138	0*	67	12*	31 352	308 000	9.8	146 150	29 712	
1917	155	0	100	15	16 946	221 000	13.0	8 530	21 132	
1918	330	0	136	19	15 666	130 000	8.3	- 259	21 402	
1919	365	0	206	4	16 745	189 000	11.3	154 091	32 160	
1920	350	0	234	10	21 002	281 000	13.4	429 418	33 567	
1921	360	0	160	4	25 133	224 000	8.9	193 405	30 106	
1922	210	0	119	14	26 452	301 000	11.4	127 539	25 433	
1923	260	0	119	12	24 393	229 000	9.2	12 111	26 259	
1924	175	0	149	12	25 897	444 000	17.1	89 632	27 782	
1925	195	0*	131	12*	26 256	355 000	13.5	90 305	27 884	
1926	215	0*	139	15*	25 599	332 000	13.0	35 040	26 776	
1927	235	0*	130	9*	23 004	255 500	11.1	96 917	26 405	
1928	215	0*	109	13*	23 805	242 000	10.2	66 133	26 044	
1929	70	0	52	10	23 986	359 100	15.0	62 208	25 901	
1930	75	0	47	5	19 997	253 000	12.6	44 199	25 483	
1931	105	0	45	13	19 528	169 000	8.7	50 323	22 752	
1932	165	0	94	1	16 531	188 000	11.4	14 952	19 331	
1933	287	0	183	14	16 895	216 000	12.8	44 548	20 271	
1934	169	0	121	14	18 637	259 000	14.4	43 549	21 816	
1935	168	0	114	5	18 251	248 300	13.6	35 070	22 872	
1936	168	6	115	10	18 317	252 000	13.7	31 932	23 400	
1937	168	6	109	12	18 093	235 000	13.0	40 513	24 764	
1938	169	6	117	18	18 460	257 000	13.9	45 526	25 077	
1939	175	0	133	17	18 812	288 000	15.3	3 624	-	

\* Average price of hops to consumer.

1. Agricultural Statistics; Prest, A.R., Consumers' Expenditure in the UK, 1900-1919, (Cambridge, 1954), p.76; Stone, R., The Measurement of Consumer Expenditure and Behaviour in the UK, 1920-38, (Cambridge, 1954), p.188.

Table H.II

The Operations of the Hops Marketing Board, 1934-9.<sup>1</sup>

	ESTIMATED MARKET DEMAND.	HOPS RECIEVED BY THE BOARD.	HOPS SOLD BY THE BOARD.	HOPS DESTROYED UNDER THE LEVY FUND	ESTIMATED DEMAND AS A PERCENTAGE OF THE TOTAL BASIC QUOTA.
Year	cwt.	cwt.	cwt.	cwt.	%
1934	215 000	245 506	217 266	28 240	97
1935	225 000	232 465	224 096	8 369	100
1936	225 000	229 030	227 107	1 923	100
1937	222 500	208 743	208 617	126	98
1938	232 000	222 418	222 418	-	102
1939.	232 000	254 616	254 616	-	104

1. Econ. Ser. No. 47, Hops, Report of the Second Reorganization Commission for England, 1946, Appendix.

DAIRY FARMING AND THE MILK MARKETING SCHEMES

Government policy towards the milk industry rested on two complementary foundations : better prices for farmers and the increased national consumption of liquid milk. In the 1920s this approach was centred on attempts to encourage clean milk production, and co-operative marketing and milk publicity were left to a Permanent Joint Milk Committee. When this Committee collapsed under pressure from falling factory milk prices, the tradition of control was maintained by the milk marketing schemes. These stabilized and then increased farmers' returns, aided by subsidies on factory milk prices made necessary by the high level of cheap imports of butter and cheese. The schemes were then able to achieve reforms in respect of clean milk and distribution. Moves towards more effective control on the lines of a commodity commission were defeated, however, by firm producer opposition.

At the outbreak of the First World War the dairy industry, centred upon the liquid milk trade, had emerged as British agriculture's most important sector.<sup>1</sup> This had resulted from the decline of arable farming in the late nineteenth-century agricultural depression, and the coincidence of favourable trends in demand and production costs. Dairy farmers also turned from butter and cheese production to supplying the growing needs of urban centres for liquid milk. This was partly due to the influence of increasing amounts of cheap competitive manufactured milk imports of more regular quality, and the resulting fall in cheese and butter prices aided this structural change, for naturally protected milk producers were able to expand with little fear of prohibitive price rises reducing demand.<sup>2</sup>

During the Great War the Ministry of Food instituted price controls to encourage liquid milk production, and to discourage the consumption of butter, which was largely replaced by margarine. Winter milk prices were raised

1. See Table F.IV.

2. The proportion of milk devoted to cheese and butter fell from 70% in the 1860s to 25% in the 1920s. Taylor, D., 'The English Dairy Industry, 1860-1930', ECHR, 1976, p.589.

to encourage level annual production and to reduce liquid consumption when supplies were short.<sup>1</sup> Distributors' margins increased significantly and much amalgamation occurred in urban centres before 1920. The steep fall in wholesale prices in 1921/2 ruined many marginal producers who were attracted to the trade by high wartime prices, and thereafter milk production remained initially with larger or more specialist farmers supplying national instead of local markets.

Farmers near towns produced fairly level seasonal liquid milk supplies, and higher winter prices covered the higher costs then. Country producers distant from rail links, especially in the south west, mainly provided more seasonal output of lower-priced manufacturing milk, largely from cows fed cheaply on summer grass. In Scotland and the north production was mainly for local liquid markets.

The Permanent Joint Milk Committee and Scottish Milk Agency Ltd.

The most innovative feature of the milk market in the 1920s was the arrangement whereby in London and other cities farm milk prices and conditions of sale were negotiated between producers, distributors, and manufacturers. When wartime price controls ended, distributors in many areas had acquired virtual monopolies, which had led to attempts by the NFU at the collective bargaining of milk prices. These attempts failed in 1920 and 1921, but were successful in the spring of 1922 as a result of the price fall. Agreement was formalized through the formation in London of the Permanent Joint Milk Committee, which represented the various sectors of the industry.<sup>2</sup> It produced annual agreements for the price and purchase of milk, and area committees were established in other cities in England and Wales.

1. Milk cost more to produce in winter because grass had to be replaced by more expensive concentrates, which were in short supply in the War. Astor and Rowntree, British Agriculture, p.272.

2. It represented the NFU, National Federation of Dairymens' Associations, The Amalgamated Master Dairymens' Association Ltd., The National Association of Creamery Proprietors and Wholesale Dairymen (Inc.), and the Milk Committee of the Co-operative Union. Econ.Ser.No.38, Report of the Reorganization Commission for Milk, 1933, pp.10-11.

Although producers' prices were negotiated through these bodies, they were never universally accepted in practice. Many farmers and distributors did not belong to the organizations represented, and there was no compulsion to observe the agreed prices. However, annual contracts with wholesalers replaced six-monthly ones, and contracts became more common because of the greater security offered. The system also avoided the negotiation of terms early in the summer when high output weakened the farmers' bargaining position.

Returns to farmers were chiefly improved by the separation of the depressed factory milk markets from the larger and more stable liquid milk markets. Low factory milk prices were then pooled with the much higher liquid milk prices, instead of reducing average receipts by competing with them. This system lasted until the agreements collapsed in 1932-3. Winter shortages that had characterized many pre-War years were also removed and level producers gained higher returns. Under the "basic surplus" principle, each producer received liquid milk values for a "standard quantity" of his supply, and lower manufacturing prices for the remainder. A farmers' standard quantity was determined by his average weekly deliveries during November 1922 to February 1923, when production approximated the liquid markets' requirements.<sup>1</sup> Liquid milk prices, including transport costs, were paid on all deliveries in this "accounting period", 100% of the standard quantity in October and March, and 110% from April to September. Any excess deliveries gained the manufacturing price, assessed per gallon as the average of Canadian and New Zealand finest and fine quality cheese prices per pound on the London Provision Exchange in the previous month, less 2d. manufacturing costs.<sup>2</sup>

1. Econ. Ser.No.38, Milk, p.11.

2. Ibid. p.12, See Table M.I.

The scheme was an equitable arrangement for all parties. It assured that level producers gained the higher liquid price for a greater proportion of their milk, while factories were charged a price in line with the value of their output. Retail prices were not fixed, and risks due to a surplus were now spread and were not borne solely by distributors. The Linlithgow Committee approved the encouragement of winter production but saw the extension of liquid milk consumption as being possible only if regular supplies were maintained.<sup>1</sup>

During 1923-9 there were no fundamental changes in the principles of the scheme, only modifications to the percentage of standard quality gaining liquid prices during the year. In 1929/30 this method of operation was replaced by the principle of the "declared quantity" whereby farmers estimated their own seasonal deliveries, with three contracts depending on whether output varied by 10%, 20%, or 50% of the declared quantity. The excess supply gained a manufacturing price that was unrelated to cheese prices, 2d. a gallon below the liquid price. This was a distributors' gamble which depended for success upon the price trend of milk products, and since these fell heavily in 1929/30 the cheese-price formula was restored in 1930/1.<sup>2</sup> The percentages of variation in supply were also changed to 10%, 25% and 50%. Under the latter a varying monthly proportion of all milk delivered received manufacturing prices, averaging 20% in 1930/1, but this rose to 25% in 1931/2 as milk production expanded and cheap manufactured imports reduced factory milk prices.

The stresses imposed upon the Permanent Joint Milk Committee schemes by the separation of the liquid and factory prices brought about its collapse from 1929/30. This was due to an increase of low-priced manufactured imports, which severely depressed factory returns and purchase prices. In 1913 the difference between liquid and factory prices was 3.95d. per gallon, in 1922/3

1. Interim Report on Milk and Milk Products, Cmd.1854, 1924, para.47.

2. Table M.I; Econ.Ser.No.38, Milk, p.14.

it was 5.99d., but it reached 7.37d. in 1931/2.<sup>1</sup> Manufactured milk producers outside the schemes, especially in the western counties, began to compete in the urban liquid markets and undercut contract prices. Because these prices were never universal and without legal sanction, they became difficult to uphold, and this undercutting threatened a collapse of all milk prices.

The history of the Scottish milk industry in the 1920s followed a similar pattern, although there was never any scheme as widespread as in England. Prior to 1927 milk prices in the Glasgow area were fixed by a joint conference of the Scottish National Farmers' Union, distributors, and manufacturers. However, distributors did not guarantee payment of the fixed price, and there were no provisions for the equitable disposal of the surplus. Thus in 1927, following the English example, the Scottish Milk Agency Ltd. was established under the auspices of the SNFU, the Scottish Agricultural Organization Society, and the Farmers' Dairy Co-operative Association, intended to secure the market for its members and to dispose of milk surplus to liquid requirements.<sup>2</sup> It operated as a co-operative marketing body, with three-year contracts on all output for members holding at least one share. A basic quantity each month, within a 10% variation, gained the liquid milk price.

The scheme was initially successful, and was extended in 1928 to the Aberdeen area and the winter price was raised by 3d. a gallon. The high price encouraged milk production, but the excess liquid milk had to be sold in the manufacturing market, and in 1930 factory prices began to slump. The 'monopoly' price was also available to farmers outside the scheme who did not pay to maintain it, and when in 1930 the levy rose to 3d., many members withdrew from the scheme. Mounting surpluses, price accounting unrelated to declining factory prices, and the breakdown of the monopoly caused the collapse of the Agency.<sup>3</sup>

1. Ibid. p.43.

2. Ibid.; 'Memorandum on the Scottish Milk Agency Ltd.', p.217.

3. Ibid..

The expansion of domestic dairy production and the decline in factory milk prices threatened a complete collapse of the market. Accompanying the trend in the cheese-making counties towards milk selling was a change to dairying from arable and sheep farming in the Cotswolds and downlands of Wiltshire and Hampshire as a result of the relative prosperity of milk production in the 1920s. The monthly milk cheque also supported less profitable enterprises on many mixed farms. Bulk transport facilities brought down milk prices in areas previously free of competition, and scientific developments, especially in feeding, enhanced the productive capacity of dairyherds. There was a 17% increase in British dairy cows and a 12% increase in average milk yields in England and Wales in 1922-33.<sup>1</sup> By 1932/3 voluntary agreements were trying to uphold a liquid milk price of 14d. per gallon in the face of large quantities of manufacturing milk which realized prices below 5d., a figure 6d. a gallon below the cost of production in some cases.<sup>2</sup> Increasingly farmers invaded the retail liquid market and like distributors ignored price agreements. Even factories re-sold manufacturing milk at cut prices in the liquid market to avoid losses on milk manufacture. The unprecedented concentration of subsidized dairy produce imports caused cheese prices to fall from 99s. per cwt. in 1929 to 53s.6d. per cwt. in the summer of 1933.<sup>3</sup>

Most dairy farmers' profits fluctuated in the 1920s, largely in inverse relation to feed prices. Many milk producers made good profits but mixed farmers may have incurred losses due to overfeeding of their stock.<sup>4</sup>

1. Cows in Milk, Cows in Calf, and Heifers in Calf in Agricultural Statistics; Milk Marketing Board, Milk Marketing in England and Wales, 1933-37, (1938), p.3.

2. Ibid; Table M.I.

3. Ibid. p.4.

4. Wyllie, J., Milk Production, Five Years' Costs and Results, 1923/4 to 1927/8, (Wye College Report No.7); Graph F.IIIa, Types A,B,F; Graph F.IV.



Whilst liquid and manufacturing milk prices were kept separate, falling prices after 1928/9 were more than balanced by falling feed, labour, and had replacement costs and incomes did not slump until after 1930/1 as the market began to collapse.<sup>1</sup>

It was in this situation that opportunities for meeting the chaos caused by individual sales in the market were offered by the 1931 Agricultural Marketing Act. After initial interest was expressed, together with concern about milk product imports, a Reorganization Commission was appointed in April 1932 which reported in January 1933,<sup>2</sup> following the imposition of duties and quotas on milk imports under the Import Duties Act and Ottawa Agreements.

The Report recommended a scheme whereby producers might collectively negotiate all liquid and factory milk sales, pooling returns and preventing farmers undercutting the liquid market and spreading low factory milk prices. The scheme was to contain provisions for improving the quality of milk, stimulating demand, and developing manufacture. However, it proposed more comprehensive organization than envisaged under the 1931 Act, intended to co-ordinate producers, distributors, wholesalers, and manufacturers in a Joint Milk Council. This might supervise the Milk Marketing Board, and a Central Dairymens' and Manufacturers' Board which would balance the producers' organization. However, this proposal would require new legislation, and it was seen as essential that the scheme should be set up immediately.<sup>3</sup> Also dairy farmers did not find these bodies acceptable. The NFU produced its own scheme, promoting a marketing board as provided for by the 1931 Act, which commenced operation in 1933/4.<sup>4</sup>

1. Graph F.IIIa, Types A,B,F; Graph F.IV; Wyllie, J., Milk Production Six Years' Costs and Results, 1928/9 to 1932/3, (Wye College Report No.19).

2. Econ. Ser. No.38, Report of the Reorganization Commission for Milk, 1933.

3. MAF 56/6, RM 174, Memo for the Minister, 1933, p.1.

4. Milk Marketing Board, The Milk Marketing Scheme - Five Years' Review 1933-38, (1939), p.6; Milk Marketing in England and Wales, p.1. 89.25% of producers voted in favour of the scheme. Milk Marketing Scheme (Approval) Order, 1933.

### The Milk Marketing Schemes

The four milk marketing schemes for Great Britain owed much to the organizations of the 1920s. The Milk Marketing Scheme for England and Wales and the Scottish Milk Marketing Scheme were both producer-controlled pooling schemes and commenced operation in 1933. The 1933 Aberdeen and District Milk Marketing Scheme and the 1934 North of Scotland Milk Marketing Scheme were farmer-controlled basic surplus schemes. Northern parts of Scotland were not included in these schemes because it was feared that the requisite vote would not then be obtained, since the isolated highland areas had not suffered from the slump in prices.

The Milk Marketing Boards saw their principle task as "the supreme necessity of procur~~ing~~ing...the highest possible pool price...by developing to the utmost the market for liquid milk, and...by safeguarding the home market for milk."<sup>1</sup> The government maintained in 1937 that its milk policy "as for other branches of agriculture, is to ensure the maximum supplies for the consumer at fair prices, consistent with reasonable remuneration for the producer... [The Government] believe that the only sure foundation for the prosperity of the industry is an increased consumption of liquid milk."<sup>2</sup>

The principal powers granted to the Boards enabled them to control the sale of all output, and to regulate the market by buying and grading milk, and selling or adapting for sale milk and milk products at prescribed prices. The Boards might also conduct or promote research and education, and run factories to manufacture excess milk and to provide costing and experimental information.<sup>3</sup>

1. Milk Marketing Board, Report of the First Annual General Meeting, 1934, p.3.

2. Milk Policy, Cmd.5533, 1937, p.2.

3. Milk Marketing in England and Wales, 1933-7, p.II, MAF 56/5, RM2, Scottish Agricultural Organization Society, Document 19, 1932, pp.1-7. Eleven regional creameries were established in England and Wales and a number in Scotland by 1939.

In the main English and Scottish Schemes producers took collective responsibility for losses on manufacturing sales and apart from small regional variations, received the same pool price for their milk.<sup>1</sup> All the milk produced was guaranteed a market through the Board, which paid farmers a monthly cheque at the pool price less 1½d. per gallon delivery charges.<sup>2</sup> Manufacturers and distributors were charged for their milk at the liquid rate, and the factories then received a rebate to allow them an economic price, which was determined by various formulae governed by the price of imports. Similarly, producer-retailers paid a subsidy to the Board so that the milk they sold effectively returned a pool price, whilst farmhouse, cheese makers were granted rebates. At the end of the first year eleven Regional Committees were established, with an Inter-Regional Compensation Fund to equalize price disparities.<sup>3</sup>

The Board's regulation <sup>permitted</sup> enabled immediate price stabilization in an industry composed of a large number of small units. In the first contract year,<sup>4</sup> milk sold liquid at 13.75d. a gallon subsidized the 5.49d. return on the 27% of milk sold to factories, leaving a pool price of 11.83d.<sup>5</sup> In September 1934 English farmers held 79 920 wholesale contracts with the Board, averaging 20 cows per herd; 46 801 producer-retailer licences,

1. Prices were slightly higher in the south and east as a result of higher production costs and higher consumer spending power, but the national difference was reduced from 1.42d. per gallon in 1933/4 to 1.22d. in 1937/8, The Milk Marketing Scheme, p.26.

2. Except output from producers with under four cows or tuberculin-tested herds.

3. Milk Marketing in England and Wales, p.6.

4. October 1933 to September 1934.

5. Milk Marketing in England and Wales, p.7.

averaging 12.6 cows each; and 1 324 farmhouse cheese contracts mostly from the traditional cheesemaking north western and west midland areas, averaging 43.1 cows per herd. In September 1938 these contract figures were 101 708, 63 305, and 1 274 respectively, as other branches of farming increased milk production and cheesemaking continued to decline.<sup>1</sup>

While the Boards achieved price stability and prevented a further decline in liquid and factory prices, if not average prices, the improvement of returns was more difficult.<sup>2</sup> The Boards' control of liquid milk prices, and indirectly over retail prices, saved the liquid milk market, but attention was concentrated on factory milk prices in relation to high levels of cheap manufactured imports, especially butter and cheese from Canada and Australasia.

The greater part of domestic manufacturing milk was turned into butter and cheese, although there was a significant amount of cream production. Butter and cheese were the major imported milk products and the least remunerative factory products.<sup>3</sup> At the turn of the century Denmark supplied half Britains' imports, but she was overtaken by New Zealand and Australia in the late 1920s. Canada had supplied 75% of cheese imports in 1900-4 but had steadily lost ground to New Zealand by 1939.<sup>4</sup> As world dairy production expanded, world prices of butter and cheese slumped such that many milk products were unprofitable for factories to produce if they purchased milk at prices remunerative to farmers. Consequently some duties were imposed under the 1932 Import Duties Act, mostly 10% ad valorem,

1. The Milk Marketing Scheme, p.10.

2. Table M.I.

3. Table M.III.

4. Annual Statements of the Board of Trade, 1900-1939; Astor and Rowntree, British Agriculture, pp.286-7.

but these only applied to foreign produce. These were continued under the Ottawa Agreements Act, but this also maintained the free and unrestricted entry of Dominion supplies for three years<sup>1</sup> and subsequent negotiations to improve manufacturing prices through quantitative Dominion import regulation proved generally abortive. Voluntary restrictions of processed milk imports<sup>2</sup> were agreed with the principal foreign suppliers in the summer of 1933, following a price fall to record low levels resulting from increased supplies of unregulated Dominion imports of butter and cheese, which supplied 55% and 90% of such imports respectively.<sup>3</sup> However, total foreign processed milk imports were only 2% of the milk equivalent of all manufactured milk imports<sup>4</sup>. As a butter price crisis was expected in the spring of 1934, the Boards asked the government for assistance, but because the newly instituted Produce Markets Supply Committee was unable to negotiate restrictions on Dominion produce some other form of aid was required.

The Cabinet asked the PMSC for interim assistance to the milk industry. The Report on the Milk and Milk Products Situation which proposed loans to support factory milk prices was accepted completely by ministers and enacted as the 1934 Milk Act.<sup>5</sup>

This legislation was intended as a temporary measure to meet the immediate needs of the situation, on the assumption that the Milk Marketing Boards aided by levy-subsidies should, and soon would, become self-supporting. Acknowledging that the domestic industry was seriously hampered

1. British farmers called for tariffs and import controls to raise factory prices, but to be effective these would have had to be substantial, and the resultant butter and cheese price increases would have seriously reduced consumption.

2. Cream, condensed milk, condensed skimmed milk, and skimmed milk powder.

3. MAF 52/5, TD 3090, Notes on the Milk (Extension and Amendment) Bill, 1938, p.31.

4. Ibid..

5. CAB 27/560, PMSC, CP-47(34), Report on the Milk and Milk Products Situation, 16 Feb. 1934; CAB 23/78, Cabinet Meeting, 21 Feb. 1934, Conc.6 (a)-(c); Hansard, Vol.286, 22 Feb. 1934, Cols. 500-504; Milk Policy; Cmd.4519, MAF 52/5, Milk Act, 1934. See chapter II.

by subsidized imports, the Act provided repayable Exchequer advances from April 1934 to March 1936 for manufacturing milk in the lower category markets for butter, cheese, cream, milk powder, and condensed milks. The advances guaranteed that milk sold for manufacture at the Boards' or independent factories, or turned into cheese on farms, would receive a "standard price" of 5d. per gallon during April to September, and 6d. during October to March. If in any month the factory price was below the standard price, payments were to be made, equal to the difference between the appropriate manufacturing price and the cheese - milk price (whichever was the greater).<sup>1</sup> Should the cheese - milk price exceed the standard price by more than 1d. in any month, the Board had to repay in the period April 1936 to March 1938 a sum equal to the cheese - milk price less the standard price, plus 1d., up to the total amount granted by the Exchequer.

In addition to these payments, grants were provided to encourage milk consumption. Government funds of up to £ $\frac{3}{4}$ m. over four years were given to launch an efficient campaign for a purer milk supply, to be allocated by the Ministers of Agriculture and Health and the Scottish Secretary, and premiums of 1d. a gallon were allowed on quality milk. Finally, the Exchequer would provide funds for a Milk Publicity Fund, of up to £1m. until September 1936, on a £ for £ basis with the Board. This was to defray the Boards' expenses in furthering approved arrangements for increasing the demand for milk through research and publicity, and was contingent upon an approved scheme containing a provision for supplying milk to schools at reduced prices. This fund might also subsidize milk sold at reduced prices to under-privileged consumers.

The Act fell short of expectations in respect of the guaranteed price system, for the government's interpretation of its subsidy formula created a gap between payments and farmers' anticipations. Except for one month, the

1. The cheese - milk price was defined as the excess over 1 $\frac{3}{4}$ d. per lb. of the average monthly wholesale price of New Zealand and Canadian Finest White Cheese over the preceding month, as fixed by the Minister of Agriculture and Secretary of State for Scotland. This formula was used prior to the Milk Act, and was based on the assumption that one gallon of milk made a pound of cheese, and the cost of manufacture was 1 $\frac{3}{4}$ d. MAF 52/5, TD 3090, Notes on the Milk (Extension and Amendment) Bill, 1938, p.6.

formula used was the standard price minus the cheese - milk price, with the result that the subsidy remained less, and often substantially less, than the difference between the standard price and the net price received by the Board (i.e. the manufacturing price as specified in the Board's contracts).<sup>1</sup> Thus, the Act failed to guarantee the expected minimum milk prices, and this resulted in the grants falling short of parliament's intentions from April 1934 to March 1935 by £1m.<sup>2</sup> Also, as a result of the Report of the Committee of Investigation in 1936, the price of milk manufactured into cheese was calculated from October 1935 on a formula based on the price received by the Board which yielded even lower payments.<sup>3</sup>

The Committee of Investigation was called to resolve a dispute between the Milk Marketing Board and the Central Milk Distributors Committee over the negotiation of contract prices. In the first two contract years there had been no agreement on contract prices, and an independent tribunal was appointed as prescribed in the scheme. Producers were profoundly disappointed with both settlements which left them with pool prices of 11.83d. in 1933/4 and 11.99d. in 1934/5, less 1½d. for transport, when production costs averaged 9d. per gallon.<sup>4</sup> Under the Milk Marketing Scheme the Board did not gain complete power to determine prices until 1935/6, subject to the Minister of Agriculture's powers to override the decision on the advice of the Committee of Investigation. Farmers had experienced difficulties in 1935, and so for 1935/6 higher liquid and factory prices were suggested, and this led to the Committee of Investigation being called in to settle the resulting dispute with distributors.

Milk prices fell in 1933/4 and 1934/5 because there had been a general tendency for western stock rearers and other farmers to turn to milk production, and for milk formerly converted into butter and cheese on farms

1. Milk Marketing in England and Wales, p.21.

2. Ibid..

3. MAF 52/5, TD 3090, Notes on the Milk Bill, 1938, p.6.

4. Milk Marketing in England and Wales, p.7; Milk Marketing Scheme 1933, First and Second Annual General Meetings of Registered Producers.

to enter the open market. This also caused a shortage of dairy cows and heifers and an increase in their prices.<sup>1</sup> Although higher liquid prices were obtained, pool prices increased only slightly as until 1935/6 a greater proportion of milk went to the factories.<sup>2</sup> Eastern liquid milk producers were worse off under the scheme and expressed dissatisfaction, for they felt that through the pooling system they lost income by improving the position of the western farmers who formerly supplied the factories. This led to calls for a revocation of the Scheme, but in the 1935 poll 81% of the votes were cast in favour of maintaining it.<sup>3</sup> Despite their criticisms, eastern producers needed the Scheme as much as western farmers. The latter would otherwise have sold their milk liquid, undercutting the high-cost level-production eastern farmers, resulting in low liquid prices, winter shortages, and severe annual price fluctuations that would have been disadvantageous to both producers and consumers.

Following the enquiry, the Committee of Investigation decided in favour of farmers, and awarded them £2.7m. more than the distributors had been prepared to offer, and these terms were retained for 1936/7.<sup>4</sup> In 1937/8 direct negotiations were successful, but as an additional check three Consumers' Committees (for Great Britain, England and Wales, and Scotland) were established. However, their restricted powers meant that their reports and recommendations were generally ignored.

In February 1935 Elliot appointed a new Milk Reorganization Commission for Great Britain. This resulted from a need to consider a long-term policy for the milk industry based upon levy-subsidies before the 1934 Milk Act expired. It was also hoped that further measures of reorganization might be

1. Astor and Rowntree, British Agriculture, p.284.

2. Table M.IV.

3. Milk Marketing in England and Wales, p.9.

4. Ibid. p.10.



introduced that would help to improve the industry's efficiency, perhaps focused upon a commodity commission for milk. As this report was not available until November 1936, the Milk (Extension of Temporary Provisions) Act, 1936 was passed. It continued loan payments until September 1937, maintaining the old formula disparity, but granted a further £½m. for expenses incurred in schemes aimed at increasing the demand for milk.

The Reorganization Commissions's Report was produced in 1936 and the government's decisions on its proposals were published in a White Paper.<sup>1</sup> The proposed amendments provoked severe criticism from the boards, the distributors, and the NFU. The Reorganization Commission saw its objectives as being to provide central machinery for the development and control of a national milk policy based upon the expansion of the liquid milk market, the economical production and distribution of the nation's milk requirements, and the fair remuneration of all sections of the industry.<sup>2</sup> The Report believed that this might best be achieved through the establishment of a permanent independent Milk Commission responsible to government policy.<sup>3</sup> It might plan and implement a production policy, administer funds, and fix producers' and distributors' prices according to a defined approach in place of the existing bargaining system. The Boards' functions would otherwise be unchanged, but the Commission would undertake a detailed investigation of distribution, encourage price differentials for quality milk, seek the reduction of production costs, and consider efforts to increase efficiency in marketing and manufacture and to stimulate consumption.<sup>4</sup>

1. Econ. Ser. No. 44, Milk, Report of the Reorganization Commission for Great Britain, 1936; Milk Policy, Cmd. 5533, 1937.

2. Econ. Ser. No. 44, Milk, p.283.

3. Ibid. pp.240-7 & 284.

4. Ibid. pp.240-7, 270, 277-89.

The White Paper emerged directly from this report, and was centred on providing maximum supplies at "fair prices" and "reasonable remuneration".<sup>1</sup> The proposals for the Milk Commission were accepted, and the government hoped that the dairy industry would become self-supporting and founded upon the increased consumption of liquid milk. The White Paper proposed a re-structuring of factory milk subsidies so that they were payable only when imported butter and cheese prices fell below 100s. and 50s. per cwt. respectively, and that the existing repayment liability be taken as having ceased from September 1937. Parliament might provide additional funds for cleaner milk to further public confidence in it, and premiums were proposed for quality milk production to support the additional costs involved.<sup>2</sup> Compulsory pasteurization orders were suggested on local option, and cheap milk schemes were to be continued.<sup>3</sup>

Because of the strength of opposition to the milk commission it was not found possible to draft long-term proposals by September 1937 when the Milk (Extension of Temporary Provisions) Act expired. Consequently the Milk (Amendment) Act, 1937 was passed to extend the payments for a further year. The cheese-milk price definition was amended, a butter-milk price introduced, and a further £½m. granted to help increase demand for milk. The new manufacturing milk prices were those certified as representing the greater part of milk sold during the month, (i.e. the Boards' contract prices)<sup>4</sup>, and were a result of the dispute settled by the Committee of Investigation. The new cheese-milk and butter-milk prices were lower than under the previous formulae, and this increased the Exchequer subsidy and decreased the rate of repayment, which was extended to the end of September 1940. It was thus less

1. Milk Policy, Cmd.5533.

2. The Agriculture Act, 1937 provided payments for the eradication of bovine tuberculosis, and ministerial control over declared 'eradication areas' and 'attested areas'.

3. Milk Policy, 1937, pp.1-2.

4. These were certified by Minister of Agriculture and Secretary of State for Scotland, acting with the approval of the Treasury.

likely that the maximum repayment liability would occur.

The government's first attempt to enact its long-term proposals in the autumn of 1938 had to be withdrawn in the face of determined opposition from the farming community, and it was again found necessary to renew the existing subsidies for a further year with the Milk (Extension and Amendment) Act, 1938. An additional £ $\frac{3}{4}$ m. was granted for milk consumption programmes, and the Boards' were released from their repayment liabilities, as proposed in the White Paper.<sup>1</sup> The 1938 Milk Industry Bill was to have established a Milk Commission and a Milk Advisory Committee. It provided for subsidies for factory and cheap milk and premiums for quality milk, for the regulation of imports of milk products, and for improved organization in milk distribution services.<sup>2</sup> Only distributors favoured the bill. Producers saw nothing in it of value to them except the milk subsidies, and were critical of the compulsory pasteurization orders. The milk boards were opposed to supervision through the Commission because it was an independent organization and would operate against the principle of producer control. In the face of this opposition, the government announced that the Bill would be postponed until after Christmas, while discussions were held with the interests involved with a view to modifying it.<sup>3</sup> The Bill was eventually withdrawn in February 1939 as a result of the unfavourable reception of its more important provisions, and was substantially re-cast.

The Milk Industry Act, 1939 was an expression of milk policy as permitted by the industry, especially producers. The proposals for the commodity commission and pasteurization orders were withdrawn. The government ensured, however, that most of the major clauses were only of two years' duration, and this left future long-term policy options open. What

1. The English Board was released from a liability of £2.66m. having paid £112 500, and the Scottish Boards from £316 000, having paid only £20 500. MAF 52/5, TD 3090, Notes..., p.9.

2. CAB 23/96, Cabinet Meeting, 9 Nov. 1938, Conc. 12; MAF 52/5, TD 3090, Milk Industry Bill, 1938 and Milk Industry Act, 1939.

3. CAB 23/96, Cabinet Meeting, 30 Nov. 1938, Conc.15.

was passed owed much to the Reorganization Commission's Report.

The Exchequer subsidies for factory milk were adjusted so that they were paid only if there was a cheese or butter price deficiency, and the payments were related to import prices and factory efficiency.<sup>1</sup> In order to encourage liquid milk production, the subsidy was available for only 125m. gallons of cheese and butter milk, but in summer the unclaimed subsidy on one product was transferable to the other.

The Act also encouraged the production of quality milk through premiums partly funded by the Boards and subsidized by the Exchequer. The cheap milk schemes for schoolchildren and other consumers were continued. The Boards were also given powers to ensure greater regional equitability in prices and were authorized to consult on the fixing of retail milk prices with the regional Consumers' Committees (established by the Agricultural Marketing Acts).

The Milk Industry Act was not intended as a final reorganization. Further plans were interrupted by the war and had to await the post-war period. It had been intended to extend the milk marketing scheme to certain highland areas of Scotland, but the relevant clauses were trimmed from the Act to ensure its passage before the summer recess. A separate bill was to be drafted by the Secretary of State for Scotland to cover this.<sup>2</sup>

Finally, commencing in August 1939, the Milk Products Marketing Scheme was established under the Agricultural Marketing Acts, having been submitted in 1936 but held in abeyance pending the formulation of the governments' long-term milk policy. A Milk Products Marketing Board was set up for Great Britain,<sup>3</sup> but was suspended owing to the outbreak of war before a producer poll could be held.

1. If the price of imported cheese fell below 67s.6d. per cwt. in winter or 62s.6d. in summer, or imported butter prices fell below 125s. per cwt. in winter or 115s. in summer, the Board was then paid a sum equal to multiplying the amount of the deficiency by the gallonage manufactured, divided by the number of gallons used to manufacture 1 cwt. of the factory product.

2. CAB 23/99, Cabinet Meeting, 28 June 1939, Conc.5. The intention to cover the whole of Scotland had also been proposed by the 1936 Reorganization Commission.

3. It was established for butter, cheese, condensed milk, condensed skimmed milk, dried and dried skimmed milk, cream, and sterilized cream.

### The Scottish Milk Marketing Schemes

It was originally intended that a Scottish Milk Marketing Scheme would cover the whole of the country, but producers in the north and north-east refused to be included, preferring to formulate separate schemes more suited to their different situation. A small part of Scotland remained uncovered, and although two further schemes were submitted in 1934, and one in 1935, they were not proceeded with as the farmers preferred their isolated and unregulated market.<sup>1</sup>

In the main Scottish Scheme there was no regional organization, and in the first year, no difference between the winter and summer contract prices. Consequently the level-production high-cost eastern producers, dependent on the liquid market, received pool prices without compensation for higher costs, and their incomes were sharply reduced, while western producers received very favourable prices.<sup>2</sup> Despite complaints, which led to modifications in January 1935 and provided higher winter prices, the Board had to sue over 900 producers (over 10%) in April 1935 for non-payment of the producer-retailer levy.<sup>3</sup> Further price amendments, however, solved these problems.

The Scottish Milk Marketing Schemes caused a number of problems for the English scheme, which led to the Reorganization Commission suggesting a single scheme for Scotland, with the Milk Commission responsible for the resolution of such difficulties. Prior to the milk marketing schemes Scotland had exported a considerable quantity of liquid milk to the English market. Once the Schemes were inaugurated a flood was threatened, as it suited the Scottish Boards to dump their excess milk in the higher priced English liquid market. Consequently, an arrangement was made whereby the

1. Schemes were proposed for the counties of Moray and Banff, and one for part of Argyll. The Moray and Banff scheme was re-submitted after amendment.

2. Graph F.III b ; MAF 56/9, RM 148, Scottish Milk Marketing Scheme, East of Scotland Milk Producers Federation, pp.1-2.

3. Astor and Rowntree, British Agriculture, p.280.

English Board paid the Scottish Scheme £100 000 per annum to prevent this.<sup>1</sup> Later the Aberdeen Board tried dumping some of its surplus on the London market, and when this was stopped Scottish cream exports began to increase.

Like the English Scheme, the Scottish Milk Marketing Schemes also engaged in clean milk campaigns, milk publicity work, and milk-in-schools and cheap milk schemes.<sup>2</sup>

#### Clean Milk Production

One aim of government milk policy was to secure an increase in the consumption of liquid milk, not only to expand the farmers' market, but because of its health and nutritional value to the population. It was hoped that by furthering clean milk production, greater consumption might be encouraged. Up to the 1920s compulsion was used to bring dairies and depots up to certain standards of hygiene, and then in the 1930s bonus payments were extended to encourage farmers to improve their herds, although compulsory pasteurization orders were successfully resisted by the NFU.

The Milk and Dairies Act, 1914 the Milk and Dairies (Scotland) Act, 1914 and the Milk and Dairies (Consolidation) Act, 1915 provided regulations for the sale of milk and for dairy cleanliness, prohibited the sale of tuberculous milk, and allowed local authorities to make orders for the inspection of dairies and to prohibit the sale of contaminated milk. However, in order to expand wartime milk supplies, this legislation was suspended by the Milk and Dairies Postponement Act, 1915. These measures were postponed again by the 1922 Milk and Dairies (Amendment) Act as a result of the depressed condition of agriculture in that year, but local authorities were enabled to act if public health was endangered.

1. Ibid..

2. Dept. of Agriculture for Scotland, Arrangements for Increasing the Demand for Milk by the Supply of Milk at Reduced Rates in the area of the Scottish Milk Marketing Scheme, 1933. (Edinburgh, 1934). This also includes the North of Scotland Milk Marketing Scheme, (1934) and there were similar publications in 1935 and 1937.

The introduction of higher grades of milk, produced under licence, began during the War, and was embodied in the 1922 Act under which the Milk (Special Designations) Order, 1923 was made.<sup>1</sup> This described four quality categories of clean milk which might be produced and sold under licence from the Minister of Health. Certified milk was the highest classification and was similar to Grade A (Tuberculin Tested). Grade A, not to be confused with Grade A(TT), was the lowest of the 'quality' milks although ordinary milk might be pasturized before sale. Despite higher prices being made available for these milks, in 1926 only 1% of the total supply was sold under such licences.<sup>2</sup> The inducement for farmers to take out licences was small, for the public had not yet learnt the value of guaranteed clean safe milk. Since farmers could get nearly as good a price for milk that was approximately clean as for that which was really clean, the heavy expenses of bi-annual tuberculin tests, clinical examinations for each cow, and the separation and replacement of reacting animals, deterred many farmers from clean milk production. In addition, there was the cost of purchase and maintenance of special equipment,<sup>3</sup> licence fees, and the employment of intelligent labour. The tendency in the distributing trade was towards pasteurization for which only approximately clean milk was regarded as sufficient.<sup>4</sup> Also the Treasury successfully resisted an attempt in 1925 to remove the licence fee for clean milk, on the grounds that it would be a subsidy, was not a serious hindrance in relation to other costs, and merely covered the cost of administration.<sup>5</sup>

1. MAF 52/5, TD 1189, Letter, F.C.Floud to Secretary of Treasury, 24 Aug. 1926.

2. Ibid..

3. This included covered milk pails, steam apparatus, bottles, milk rooms etc.,

4. Letter from Floud to Treasury.

5. MAF 52/5, TD 1189, Milk (Special Designations) Order, 1925, Reply from Secretary of Treasury to Floud, Daily Telegraph, 2.2.27.

By 1934 only 1.17% of farmers produced designated milk.<sup>1</sup> Certified and Grade A(TT) milk was exempted from the schemes until October 1937 and was compelled to command higher prices than ordinary milk, but in order to stimulate the production of Grade A milk, the Board awarded it a 1d. per gallon bonus over the pool price. However, the number of "designated producers" remained small because their market expanded slowly due to the higher prices.<sup>2</sup>

The clean milk categories were restructured in 1935/6 in a relatively successful attempt to encourage the output of such milk. Under the Milk (Special Designations) Order, 1935, a new set of milk classifications were introduced. Certified and Grade A(TT) milk were combined as Tuberculin Tested milk, now the highest grade, and Grade A milk was renamed Accredited milk. The 1936 Milk (Special Designations) Order abolished the original quality milk classes, and permitted Certified to be added to Tuberculin Tested milk if it was bottled on the farm.<sup>3</sup>

The Accredited Herds Scheme was organized by the Milk Marketing Board in 1935 for producers of Grade A or Accredited milk capable of passing the bacterial test, with herds free of any known reactors, and with buildings of certain standards. According to the Boards' figures, the 1d. per gallon premium, financed from a levy, was a substantial return on capital. The scheme was reasonably successful for by 1938/9 18% of producers had Accredited Herds, and these gave 40% of the milk output in 1939<sup>4</sup>. Thus most large producers became accredited without difficulty, although progress was slow towards the end of the decade as it was mostly the mass of small

1. Milk Marketing Scheme, pp.34-5.

2. Ibid..

3. MAF 52/5, TD 2957, Report from V.L. Yates, 16.12.35; Draft Milk (Special Designations) Order, 1935, Draft Milk (Special Designations) Order, 1936.

4. Milk Marketing Scheme, p.35; Mackintosh, J., 'Dairy Farming and Dairy Work', JRASE, 1939-40, p.82.



dairy farmers who were left to improve production. Consequently under the 1939 Milk Industry Act the premium was raised to 1½d., funded by a general levy and an Exchequer subsidy.<sup>1</sup>

The Attested Herds Scheme was introduced by the Government in 1935 in accordance with a recommendation of the Committee on Cattle Diseases.<sup>2</sup> It was intended to eradicate bovine tuberculosis and laid down more stringent provisions than those for Tuberculin Tested milk. A bonus of 1d. per gallon was provided from the Milk Act in addition to the premiums automatically gained under Accredited Scheme, and tuberculin testing was free. Initially progress was slow, and only 169 herds (88 of these in Scotland) were attested by March 1936 but this increased rapidly thereafter once grants for tuberculin tested milk were increased under the Agriculture Act, 1937.<sup>3</sup> In February 1939, 2 932 herds in England and Wales were Attested, and there were probably at least 300 such herds in Scotland.<sup>4</sup>

In 1937 Tuberculin Tested milk was brought inside the schemes, thus guaranteeing it a market, and a premium of 1d. per gallon was added to the other bonuses for which it qualified. The estimated £13 per cow expenditure required to 'clean up' a herd to this standard now offered a favourable return,<sup>5</sup> and the number of tuberculin tested licences rose from 1 927 in October 1937 to 3 173 by the end of 1938.<sup>6</sup>

1. Milk Industry Act, 1939.

2. Report of the Committee on Cattle Diseases of the Economic Advisory Council.

3. Mackintosh, J., 'Dairy Farming and Dairy Work', JRASE, 1937, p.331.

4. Mackintosh, J., 'Dairy Farming and Dairy Work', JRASE, 1939-40, p.83.

5. Mackintosh, J., Op.Cit., 1937, p.329. Assuming an output of 400 gallons per cow per annum, this gave a return of 12.8%.

6. Mackintosh, J., Op.Cit., 1939-40, p.82.

Under the 1939 Milk Industry Act further encouragement was offered when a new scale of premiums was laid down. These ranged from 1d. per gallon on Accredited milk, to 2½d. on Tuberculin Tested or Certified milk and Accredited milk from Attested herds.

The most intense of the governments' proposals was in respect of the compulsory pasteurization of liquid milk sold to the public. The Corporations of Glasgow and of Poole had suggested this in 1937, and the government's White Paper in 1937 recommended it on local option as proposed by the Committee on Animal Diseases of the Economic Advisory Council.<sup>1</sup> However, this proposal had to be withdrawn in the face of strong NFU opposition.<sup>2</sup>

The production of quality clean milk was promoted through higher prices for purer milk, but not always on a sufficient scale to really encourage a cleaning up of herds. From 1937 though, all quality milk premiums offered a good rate of return. During 1934/5 to 1938/9 the average extra cost of producing a gallon of Accredited milk (compared with ordinary milk) was 0.41d., and for a gallon of Tuberculin Tested milk it was 2.22d., although at the end of the decade the margins narrowed and premiums were better.<sup>3</sup> The mass of small dairy farmers tended to remain outside the higher quality categories, and not only lost higher incomes but faced a heavier burden of replacement costs<sup>4</sup>. However, by 1939 just over half the milk produced was quality milk in one form or another. Not all the milk bought for liquid consumption was "designated milk", but the pasteurization of much of the remainder helped to improve the quality of the milk purchased by the public.

1. Milk Policy, Cmd.5533, p.6.

2. MAF 52/5, TD 3090, Milk Industry Bill, 1938 and Milk Industry Act, 1939.

3. Bridges, A., Milk Production, (Oxford, 1943), p.68.

4. Disease was the main reason for the short life of the average dairy cow, and this was largely responsible for the high costs and low profits which characterized many British dairy farmers. Astor and Rowntree, British Agriculture, p.266.

Milk Publicity and Schemes to Encourage the Demand for Liquid Milk

It was realized that an improvement in the quality of supply was of little use unless the public was educated to the advantages of increased milk consumption. A number of schemes were set up for increasing milk demand which qualified for the Exchequer subsidies under Section 11 of the 1934 Milk Act. Even before the Milk Act the industry had established a National Milk Publicity Council (NMPC) in 1923 as a result of greater knowledge of the benefits of increased milk consumption gained during the Great War, when the Ministry of Food had realized that there was a need for the industry to educate consumers on the value of milk as food. The Council was aware that British milk consumption was lower than in many western countries, and that increased consumption was related to better national health.<sup>1</sup> In order to encourage milk use a voluntary subsidy on milk bought and sold was used to fund committees for Finance, Development, Advertising and Publicity, and Education and Science. Their publicity campaigns were supported by education in schools, clean milk campaigns, cooking demonstrations, exhibitions, and poster advertising.

The Milk Marketing Boards' activities in increasing the public's awareness of the advantages of milk consumption fell into three categories: those making milk available at reduced cost to certain consumer groups; a general programme of press and poster publicity to further the clean milk campaign; and a nutrition survey to investigate the advantages of liquid milk consumption. The Advisory Committee on Milk Publicity was appointed by the Board to assist in the administration of these Exchequer-funded schemes.

1. The Milk in Schools and Special Areas Milk Schemes: The grants made available for milk publicity under the Milk Act were contingent upon a scheme for providing milk at reduced rates to school children. This was aimed at laying the foundation of consumption habits for adults, as well as encouraging parents to purchase more milk.

1. MAF 52/6, TD 428, Report Issued by the NMPC, 1925, p.4.

In the first decade of the twentieth-century Local Education Authorities had been empowered to supply free milk to schoolchildren if it was considered necessary for their health, and a National Milk Publicity Council scheme supplied 900 000 children in England and Wales by 1934.<sup>1</sup> The Milk Marketing Board's scheme, commencing in October 1934, raised this figure to 2.518m. in 1934/5 and to 2.866m. in 1937/8.<sup>2</sup> However, at least 6m. children should have been eligible.<sup>3</sup>

Initially the scheme applied to all full-time schoolchildren, to those in courses eligible for grants from the Board of Education, and to those in authorized courses of instruction under the 1934 Unemployment Act. In 1936 it was extended to elementary schools recognized by the Board as efficient, to schools under the War Office, occupation centres for the mentally defective, and residential Poor Law Schools.<sup>4</sup>

The milk was supplied to children at the reduced rate of  $\frac{1}{2}$ d. for a daily  $\frac{1}{3}$  pint (half the previous price), with extra milk sometimes purchased by local authorities for under-nourished children. Local Medical Officers of Health were required to approve the source and quality of milk, and teachers' co-operation was required before the scheme could operate other than on schooldays, provided the children could be assembled. The milk supplier was paid 1s. a gallon from the sale receipts, plus a subsidy from the Milk Marketing Board to maintain the current wholesale liquid price, together with a reduced allowance of 6d. a gallon distribution costs. The annual Exchequer grant averaged £450 000 for Great Britain, funding an average of 23m. gallons of school milk.<sup>5</sup>

1. MAF 52/5, TD 3090, Notes on the Milk (Extension and Amendment) Bill June 1938, p.12.

2. Ibid..

3. Ibid.; Milk Marketing in England and Wales, p.27.

4. Milk Marketing in England and Wales, p.27.

5. MAF 52/5, TD 3090, Notes..., pp.11-12; Stone, R., The Measurement of Consumer Expenditure and Behaviour in the UK, 1920-38, (Cambridge, 1954), p.92.

Cheap milk projects for the "Special Areas" were inaugurated in June 1936, commencing with the Rhondda Valley, and were extended to the other Special Areas of Jarrow (January 1937), the Walker District of Newcastle (April 1937), and Whitehaven (October 1937), to support the health of those severely hit by unemployment and low incomes. Cheap milk was made available at 2d. a pint for nursing and expectant mothers, and for children under school age.<sup>1</sup> Costs were borne by the Commission for Special Areas, local authorities, distributors, retailers and the Milk Marketing Board. The Board initially funded this operation from a levy, but gained Exchequer payments under the 1937 Act. As a result of this policy, consumption per head of all persons in households receiving cheap milk from the scheme rose from 0.23 pints per day before the scheme to 0.32 pints in 1938.<sup>2</sup>

2. General Publicity: The press, poster, and promotion campaigns received subsidies averaging £18 000 per annum until 1938 (when the Boards took over full financial responsibility) and cost a total of about £60 000 for England and Wales.<sup>3</sup> The balance was derived from a ¼d. per gallon levy in May which also yielded money for research. The campaign was superintended by the Advisory Committee on Milk Publicity, and it carried on the work of the NMPC including its special "milk weeks".

A Milk-in-Industry Scheme was established by the NMPC to provide milk for industrial employees, and was maintained by the Milk Marketing Board. Ninety firms were involved in October 1935, and this rose to 7 109 firms with 2.158m. workers in May 1938. Delivery costs were 2d. a gallon below the usual cost, and milk was sold at 3d. a pint.<sup>4</sup> Further to this

1. This was instead of 3d. or 3½d. a pint. Milk Marketing in England and Wales, p.28.

2. The Milk Marketing Scheme, pp.35-6.

3. MAF 52/5, TD 3090, Notes..., p.14.

4. Ibid. Appendix G.

1 086 milk bars were established by the Boards to encourage varying forms of liquid milk consumption.<sup>1</sup>

3. Nutrition Survey: On the initiative of the Advisory Committee on Milk Publicity a survey was carried out to investigate the effects of milk consumption upon schoolchildren, and the relative benefits of raw and pasturized milk. A £5 000 Exchequer grant helped provide the information that a daily consumption of  $\frac{2}{3}$  pint was more beneficial than  $\frac{1}{3}$  pint, and that apart from a slight loss of vitamins B and C, pasteurized milk differed little from raw milk.<sup>2</sup>

Despite all these efforts, the UK per caput consumption of liquid milk only rose from 19.2 to 19.4 gallons per annum from 1934 to 1938.<sup>3</sup> Britain spent only 2.6% of its relatively high national income on milk in 1934, a lower figure than in the USA or Western Europe, although her consumption of other health-protective foods was higher.<sup>4</sup> Milk consumption remained relatively low, probably because it was priced relatively high, placing it beyond the reach of the lowest income sectors of the population who would have benefited most from drinking more milk.

In 1938 it was realized that milk sold under the cheap milk schemes was not, as had formerly been believed, milk that would have otherwise been consumed at the liquid price, but supplies that would have been utilized by factories.<sup>5</sup> Thus the subsidy added directly to consumption. However, whilst it thus raised farmers' returns, it was more costly than the factory milk subsidy. This fact may consequently have hindered the development of further cheap milk schemes.

1. Ibid. Appendix H.

2. Ibid. pp. 11, 13-14.

3. Stone, R., Op.Cit., pp.92 and 414.

4. MAF 52/5, TD 3090, Notes..., Appendix J.

5. CAB 23/94, Cabinet Meeting, 15 June 1938, Conc.12; CAB 24/277, CP-139(38), Extension of the Milk Acts, 1934-7, 10 June 1938.

Manufactured Milk Products

Once the Milk Marketing Boards gained subsidy payments to support factory milk prices, their subsequent response was to encourage manufacturers to turn from butter and cheese, the least remunerative of milk products, to the higher quality markets. Domestic cheese production rose to 1930-5, and declined thereafter, while factory output was replacing farm supplies throughout the inter-war years. Butter production was more constant, with under half the total output coming from factories by 1939.<sup>1</sup> Both these products faced severe import competition, butter imports rising from 72.0% to 91.5% of total UK supplies in 1920-38, and cheese imports fluctuated from 68.56% to 78.0% of total supplies in this period.<sup>2</sup> Manufacturing milk prices were thus dominated by the prices of these imports.

The domestic factories responded to the Board's stimulus in respect of tinned and powdered milk, and output was doubled. From 1933 to 1938 butter fell from 56.6% to 47.7% of all milk manufactured, cheese fell from 22.3% to 17.6%, while fresh cream rose 6.8% to 11.3%, condensed milk 6.7% to 14.7%, milk powder 1.2% to 2.6%, and tinned cream 0.5% to 1.7%.<sup>3</sup> Initially there were no problems accompanying these changes, but as the higher quality areas expanded when they became more profitable there were occasional winter shortages of suitable milk, although cheese and butter factories still had adequate supplies. In 1937 the Board arranged a plan with buyers whereby it might allocate supplies to the industry's best advantage, and it was to help these processes that the Milk Products Marketing Scheme was devised.<sup>4</sup>

1. Table M.III.

2. Stone, R., Op.Cit. pp.93-4.

3. Table M.II; Stone, R., Op.Cit. p.92.

4. The Milk Marketing Scheme, p.17.

As a result of price changes for the different categories of milk, and changes in the volume of production and import prices, factory milk prices rose slowly from . 4.81d. a gallon in 1934/5 to 6.88d. in 1937/8.<sup>1</sup> Butter and cheese milk prices rose from 4.1d. to 5.3d. and from 3.5d. to 6.5d. respectively for the same period.<sup>2</sup> Although the price of milk for all factory produce rose, the amount manufactured was the main determinant of producers' pool prices.

### Distribution and Transport

The system of milk transport and distribution escaped attempts to regulate it in 1933 and in 1938,<sup>3</sup> and although advances were achieved, it remained in need of reform. The firm belief of farmers in producer control prevented the creation of a distributors' organization which might have trimmed costs and raised farmers' receipts.

It was essentially in anomalies of pricing and distribution where inefficiency lay. The Milk Marketing Boards allowed 2d. a gallon to distributors for transport costs, a sum calculated by assuming milk was moved in small quantities by rail. Technical improvements in depots, and in road and bulk transport enabled distributors to make a profit on transport, especially to London.<sup>4</sup> London gradually became the major market for the whole country, so that liquid milk was despatched from the provinces where it should have remained for manufacture, whilst the geographical location of some of the biggest creameries was such that they used milk which should have been sold for liquid consumption.<sup>5</sup> Thus quality milk was often 'lost' through being manufactured.

1. Ibid. p.19.

2. Ibid..

3. These were made under the original proposals for the Milk Marketing Schemes and the Milk (Extension and Amendment) Bill, 1938.

4. Astor and Rowntree, British Agriculture, p.295.

5. The Milk Marketing Scheme, p.29.



Bulk milk transport resulted in the mixing of different milk qualities, thus infecting clean milk, simply because it was not allowed to be sold at a higher retail price only a higher wholesale price.<sup>1</sup> The regional retail price limits kept small dairies in business although their competitive power was seriously reduced as bottling and pasteurization were more cheaply and efficiently carried out by larger operators. Competition was thus not expressed through retail prices, but through the provision of extensive and expensive consumer services, judged as excessive in the Food Councils' report.<sup>2</sup> A number of retailers often supplied the same districts, increasing overall delivery costs and preventing rationalization. Statutory retail price control thus imposed serious obstacles to cutting distribution costs and eliminating redundant areas, and was an obstacle to two of the main aims of milk policy - cheaper milk to consumers and higher farm prices.

However, the distributive trade did become more efficient. The number of retailers fell from 21 000 to 13 000 from 1933 to 1939, with 357 covering half the country,<sup>3</sup> and although distribution margins rose from 10.82d. to 11.22d. per gallon from 1933/4 to 1937/8, this was less than the 2½d. rise in liquid wholesale milk prices.<sup>4</sup> The need for rationalization in this branch of the industry was not realized by the government until 1937/8 but proposals submitted then, drawing on the Report of the Food Council, were rejected by distributors, and the war interrupted later attempts at legislation.<sup>5</sup>

1. Astor and Rowntree, British Agriculture, p.296.

2. Food Council for Great Britain, Costs and Profits of Retail Milk Distribution in Great Britain, (1937).

3. CAB 23/99, Cabinet Meeting, 14 June 1939, Conc.10.

4. The Milk Marketing Scheme, p.23.

5. CAB 23/99, Cabinet Meeting, 14 June 1939, Conc.10; CAB 24/287, CP-128(39), Milk Legislation, 1 June 1939.

Milk Producers' Incomes under the Milk Marketing Schemes

Under the Milk Marketing Schemes pool prices were stabilized and profits were maintained; despite the difficulties encountered in administering an increased milk output. The percentage of milk sold liquid fell until 1935/6 in England and Wales,<sup>1</sup> and rose thereafter, thus allowing a rise in pool prices.<sup>2</sup> Production costs were highest in the south eastern, south midland, northern and eastern level-production areas, and lowest in the northern, south Wales, south western and north western seasonal areas where output was also lower. Generally costs were rising, feed being the significant factor, with labour remaining a fairly steady item where greater use was made of milking machines (which milked 21.4% of English herds in 1933/4 and 45.6% in 1938/9).<sup>3</sup>

As a result of the movements in receipts and costs, profits for milk producers rose slowly under the schemes.<sup>4</sup> It was only natural that a scheme which offered regular returns should have encouraged farmers to enter it, but this tended to keep down the rise in prices. However, profitability was maintained and increased under the milk marketing schemes, at least until feed costs rose sharply at the end of the decade.<sup>5</sup>

Milk Marketing Policy in the 1930s

The Milk Marketing Boards operated a scheme of price fixing and continued the policy of the milk co-operatives of the 1920s by selling milk at differentiated prices. As incomes from dairying became more attractive milk output expanded by 30% from 1933/4 to 1938/9 and the proportion of milk manufactured rose from 26% to 32% in the same period, holding back pool prices.<sup>6</sup> The Boards had no direct power to limit or restrict the

1. Table M.IV.

2. Table M.I.

3. Bridges, A., Op.Cit. p.11.

4. Graph F.IIIa, Types A,B,F; Graph F.III b; Graph F.IV.

5. Graph F.IV.

6. Table M.IV.

amount of milk produced, but the fixed price levels enabled them to influence the quality of milk produced and the amount that could be sold liquid.

Government milk policy from the inauguration of the Milk Marketing Schemes aimed at procuring the highest possible returns to the farmer at a price which allowed consumers to avail themselves of the advantages of increased milk consumption. Increased returns could not be procured by lowering liquid milk prices because the price elasticity of demand for milk was greater than unity and farmers' gross incomes would thus be reduced. Alternatively it was not possible to raise prices because the government was becoming increasingly aware of the value of milk as a nutritional and health protective food, and such an act would exclude many low-income groups who might benefit most from milk consumption. Given the state of the productive efficiency of the milk industry, the price structure was probably at the only level it could have been set to commensurate with the two aims of policy. Farmers' payments were more regular and incomes higher than in other agricultural sectors, however, milk consumption rose only slowly. Despite advertisement of the benefits of milk consumption, for a large section of the population it remained too much a luxury and not a beverage or food. Cheap milk schemes were required to add both to the consumption of liquid milk and to farmers' incomes. Milk producers' incomes were moving hesitantly upwards in the late 1930s, but milk consumption rose only slowly in the inter-war years, and most of the 25% increase of 1930-38 was achieved before 1933.

Table M.I

The Prices of Milk and Milk and Milk Products, and  
Yields per Cow in Great Britain, 1911-13 to 1920/1 to 1937/8.

YEAR	ENGLAND AND WALES		SCOTTISH WHOLE- SALE MILK PRICES. PER GALLON	MILK YIELD PER COW IN GREAT BRITAIN PER ANNUM <sup>4</sup>	MANUFACTURED MILK <sup>1</sup>											
	AVERAGE PRICE OF STATION MILK PER GALLON <sup>1</sup>	d.			DOMESTIC				IMPORTED							
					SECOND QUALITY CHEDDAR CHEESE PER CWT.	SECOND QUALITY PART BUTTER PER 12 lbs.	FIRST QUALITY N.Z. CHEESE PER CWT.	FIRST QUALITY N.Z. BUTTER PER 12 lbs.	s.	d.	s.	d.				
1911-13	8.75		-	512	73	10	13	6	-	-						
1920/1	25.00		-	528	142	3	36	9	-	-						
1921/2	17.25		20.99	545	104	6	21	9	109	11						
PRICES AGREED BY THE PERMANENT JOINT MILK COMMITTEE, (PENNY PER GALLON) <sup>2</sup>																
	ANNUAL	WINTER	SUMMER	LIQUID	MANUF.											
1922/3	16.00	20.00	12.00	16.00	9.63	17.74	570	119	0	21	11	151	4	20	6	
1923/4	15.25	18.50	12.00	15.25	8.25	17.92	544	127	0	21	7	103	7	21	1	
1924/5	15.25	18.50	12.00	15.25	8.50	18.33	543	114	0	22	9	103	11	20	10	
1925/6	15.16	17.00	13.33	15.16	9.00	18.10	573	127	0	21	4	99	6	19	2	
1926/7	14.50	16.25	12.00	14.25	7.50	17.64	566	101	6	19	4	95	2	18	5	
1927/8	14.25	16.25	12.00	14.25	8.75	17.79	551	123	0	20	0	102	4	18	11	
1928/9	15.00	16.67	13.33	15.00	8.25	18.15	546	127	0	20	6	98	4	19	1	
1929/30	Class I	14.67	16.67	12.67	14.67	12.67										
	Class II	14.50	16.33	12.67	14.50	12.50	17.58	576	100	0	18	10	86	6	16	2
	Class III	14.25	16.00	12.50	14.25	12.25										
1930/1	Class I	14.25	16.50	12.00	14.25	5.00										
	Class II(a)	13.83	16.16	11.50	13.83	5.00	17.00	593	88	0	15	4	69	9	13	5
	Class II(b)	14.16	16.33	12.00	14.16	5.00										
1931/2	Class I	13.42	14.33	12.50	13.42	4.75										
	Class II(a)	13.00	14.00	12.00	13.00	4.75	16.79	588	91	6	14	3	63	10	12	0
	Class II(b)	13.42	14.50	12.33	13.58	4.75										
1932/3	Class I	14.00	15.83	12.16	14.00	5.00										
	Class II(a)	13.58	15.67	11.50	13.58	5.00	16.42	574	84	0	12	9	56	4	10	2
	Class II(b)	14.00	15.83	12.16	14.00	5.00										
PRICES UNDER THE MILK MARKETING BOARD, (PENNY PER GALLON) <sup>3</sup>																
	PRICE RECEIVED BY PROD- UCERS	ANNUAL AVERAGE POOL PRICE	AVERAGE LIQUID MILK PRICE	MANU- FACTURED MILK PRICE	CHEESE- MILK PRICE	BUTTER- MILK PRICE										
1933/4	11.50	11.83	14.01	4.96	-	-	15.75	575	79	0	12	3	50	10	8	8
1934/5	11.00	11.99	15.08	4.81	4.05	-	14.62	583	68	0	11	8	51	4	9	8
1935/6	11.10	11.48	15.25	4.95	4.72	-	14.19	592	70	0	12	10	59	8	10	11
1936/7	11.70	11.99	15.23	5.75	5.76	-	14.52	586	81	0	13	9	67	6	12	7
1937/8	13.10	12.92	16.24	6.88	6.58	5.42	15.01	579	89	6	12	2	71	6	12	10

1. Agricultural Statistics.

2. Econ. Ser. No. 44, Milk, p.16

3. The Milk Marketing Scheme, pp.17,23-5; MAF 52/5, Notes..., Appdx. A; Bridges, Milk Production, p. 8.

4. Calculated from Agricultural Statistics and Stone, Consumer Expenditure and Behaviour, p.92.

Table M. II

1

SUPPLIES AND DISPOSALS OF FRESH MILK IN THE UNITED KINGDOM, 1920-38 (million gallons).

	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
<b>Supplies:</b>																			
Home-produced	1258.6	1307.3	1387.8	1460.2	1359.2	1400.2	1508.4	1455.0	1418.6	1400.1	1500.5	1504.3	1523.6	1524.2	1577.0	1601.4	1620.7	1571.4	1573.4
Imports	1.2	1.4	1.3	1.0	0.4	0.5	0.8	0.9	1.1	0.6	0.5	0.9	0.6	0.8	0.8	0.4	0.3	0.2	—
<b>Total supplies</b>	1259.8	1308.7	1389.1	1461.2	1359.6	1400.7	1509.2	1455.9	1419.7	1400.7	1501.0	1505.2	1524.2	1525.0	1577.8	1601.8	1621.0	1571.6	1573.4
<b>Disposals:</b>																			
<b>Farm manufacture:</b>																			
Butter	241.6	248.0	260.2	283.0	238.6	248.4	281.1	255.5	245.9	232.4	261.8	265.7	272.2	275.4	232.0	181.3	166.2	175.5	154.1
Cheese	78.2	79.6	82.7	89.2	74.5	76.8	86.1	77.5	73.9	69.1	77.1	78.1	80.6	82.1	59.9	35.1	27.4	39.8	31.0
Cream	16.9	18.2	20.2	22.8	20.5	22.2	25.9	24.7	24.8	24.4	28.2	29.0	29.7	29.9	26.4	22.2	21.0	20.4	18.8
<b>Factory manufacture:</b>																			
Butter	28.1	30.0	32.5	39.4	29.7	32.4	40.1	34.2	32.9	29.8	35.9	35.9	36.1	35.8	65.0	118.4	150.6	106.7	113.8
Cheese	15.0	16.9	19.4	24.7	19.5	25.6	37.5	37.4	41.4	43.0	59.0	52.4	46.6	40.5	81.9	104.6	96.4	57.6	67.9
Fresh cream	25.4	27.0	29.2	35.4	26.5	28.7	35.1	29.6	28.0	25.0	29.7	32.4	35.2	37.4	53.2	59.9	61.7	66.6	63.5
Tinned cream	—	—	—	—	—	—	—	—	—	—	—	1.0	2.1	3.0	7.5	10.5	9.9	11.9	9.8
Condensed milk	27.7	29.5	32.2	39.1	29.5	32.7	41.1	35.6	34.8	32.1	39.4	38.5	37.9	36.9	46.4	60.4	69.6	71.1	82.3
Milk powder	7.6	8.1	8.8	10.7	8.1	8.9	11.1	9.6	9.3	8.6	10.5	9.1	7.8	6.5	9.7	12.9	13.6	9.4	14.4
Other products	1.8	1.9	2.1	2.6	2.0	2.2	2.9	2.5	2.5	2.4	3.0	2.9	2.9	2.8	3.7	6.3	7.9	5.8	6.1
Exports	0.4	0.4	0.4	0.4	0.4	0.3	0.5	0.5	0.5	0.4	0.4	0.3	0.4	0.4	0.4	—	—	—	0.1
Farm consumption	70.5	73.1	77.2	81.0	75.2	77.1	82.8	79.6	77.3	76.0	81.2	81.5	82.5	82.6	84.8	85.4	86.1	85.1	83.9
Purchased for final consumption	739.1	768.2	816.0	824.7	825.8	836.9	856.5	860.5	840.1	848.8	866.1	869.5	881.3	882.8	889.7	870.3	876.2	886.3	892.2
Sold under 'Milk in Schools' scheme	—	—	—	—	—	—	—	—	—	—	—	—	—	—	8.1	25.4	25.4	26.3	26.5
Waste in bottling, etc.	7.5	7.8	8.2	8.2	8.3	8.5	8.5	8.7	8.3	8.7	8.7	8.9	8.9	8.9	9.1	9.1	9.0	9.1	9.0
<b>Total disposals</b>	1259.8	1308.7	1389.1	1461.2	1359.6	1400.7	1509.2	1455.9	1419.7	1400.7	1501.0	1505.2	1524.2	1525.0	1577.8	1601.8	1621.0	1571.6	1573.4

1. Stone, Measurement of Consumer Expenditure and Behaviour, p. 92.

Table M.III

Supplies and Disposals of Milk Produce in the UK, 1920-38.<sup>1</sup>

	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
<b>Condensed milk:</b>																			
Units																			
000's cwt.																			
Supplies:																			
Home-produced:																			
Whole	931	994	1083	1317	993	1101	1383	1199	1171	1081	1328	4296	1277	1241	1561	2032	2341	2393	2772
Skimmed	81	88	98	130	83	106	162	139	141	130	193	309	422	518	913	1089	1172	1200	1200
Imported:																			
Whole	1500	1394	718	812	705	615	612	659	718	659	624	705	599	523	462	379	330	441	415
Skimmed	463	872	1248	1427	1478	1595	1773	1855	1950	1985	1972	2085	2139	1918	1628	1495	1363	1243	1217
Total supplies	2975	3348	3147	3686	3259	3417	3930	3852	3980	3855	4117	4395	4437	4200	4564	4905	5196	5277	5604
Disposals:																			
Purchased for final consumption																			
Whole	2,150	1,714	1,004	1,338	913	879	1,143	873	808	707	945	1,013	901	711	828	996	1,144	1,275	1,469
Skimmed	496	804	1,185	1,390	1,389	1,616	1,751	1,798	1,896	1,911	2,412	2,177	2,335	2,188	2,156	1,859	2,278	2,055	1,888
Cream:																			
000's gal.																			
Supplies:																			
Made on farms:																			
Full-cream	1,193	1,293	1,427	1,614	1,452	1,584	1,861	1,792	1,807	1,783	2,076	2,133	2,164	2,168	1,917	1,601	1,503	1,457	1,343
Half-cream	1,660	1,764	1,882	2,277	1,681	1,788	2,151	1,782	1,656	1,451	1,685	1,704	1,690	1,603	2,095	1,652	1,703	1,836	1,753
Tinned cream	185	196	269	325	297	379	538	517	552	550	722	1,058	1,480	1,960	3,143	4,956	5,107	5,508	5,253
Imports	34	95	141	272	310	473	492	667	791	740	723	945	720	592	458	401	412	406	285
Total supplies	3,072	3,348	3,719	4,488	3,740	4,224	5,042	4,758	4,806	4,524	5,206	5,913	6,204	6,529	8,129	9,337	9,406	10,031	9,311
Disposals:																			
Consumed on farms																			
Purchased for final consumption:	301	313	330	346	321	332	359	348	340	334	360	361	363	361	370	370	371	366	362
Farm cream	892	980	1,097	1,268	1,131	1,252	1,502	1,444	1,467	1,449	1,716	1,772	1,801	1,807	1,547	1,231	1,132	1,091	981
Factory fresh cream	1,691	1,793	1,965	2,378	1,791	1,956	2,437	2,061	1,968	1,775	2,147	2,466	2,860	3,236	4,032	6,141	6,340	6,842	6,541
Tinned cream	—	—	—	—	—	—	—	—	—	—	—	73	142	266	516	727	681	824	676
Imported cream	34	95	141	272	310	473	492	667	791	740	723	945	728	592	458	401	412	406	285
Butter:																			
000's cwt.																			
Supplies:																			
Made on farms:																			
Whole	763	783	821	823	753	785	891	812	784	743	839	851	870	878	737	574	526	556	488
Skimmed	97	104	113	136	103	112	159	119	114	103	124	124	125	124	225	410	521	369	394
Imports	2,219	3,914	4,358	4,968	5,096	5,592	5,592	5,582	5,948	6,274	6,646	7,709	8,059	8,746	9,596	9,481	9,669	9,304	9,439
Total supplies	3,079	4,801	5,292	5,997	5,952	6,399	6,622	6,513	6,846	7,120	7,611	8,684	9,054	9,748	10,558	10,465	10,716	10,229	10,321
Disposals:																			
Consumed on farms:																			
Purchased for final consumption:	212	216	224	242	202	209	236	213	204	191	214	215	216	216	206	184	174	180	166
Factory fresh butter	2,691	4,310	4,765	5,415	5,418	5,848	6,036	5,962	6,297	6,579	7,079	7,989	8,333	9,171	9,852	9,964	9,908	9,932	9,646
Cheese:																			
000's cwt.																			
Supplies:																			
Made on farms:																			
Whole	685	697	724	780	652	674	761	689	662	623	699	709	725	733	531	399	240	349	272
Skimmed	133	150	171	219	173	227	333	331	367	381	522	454	413	359	726	926	851	510	601
Imports	2872	2821	2654	2798	2840	2960	2975	2910	2975	2962	3082	2856	2974	3016	2958	2686	2652	2915	2910
Total supplies	3690	3668	3549	3797	3665	3861	4069	3930	4004	3966	4303	4029	4112	4108	4215	3921	3743	3774	3783
Disposals:																			
Consumed on farms																			
Purchased for final consumption:	33	34	35	38	31	32	34	29	26	23	25	24	22	21	35	33	29	35	31
Factory cheese	652	663	689	742	621	642	727	660	636	600	674	685	703	712	496	276	211	314	241
Processed cheese	115	124	145	206	165	210	306	283	315	324	472	428	377	328	703	903	822	478	575
Imports	12	13	15	19	15	48	110	149	210	264	425	445	456	449	555	563	317	310	365
Total disposals	2,860	2,808	2,699	2,779	2,825	2,912	2,865	2,761	2,765	2,698	2,957	2,411	2,518	2,567	2,403	2,123	2,135	2,005	2,545

Table M. IV

The Utilization of Milk Sold under the Milk Marketing Schemes, 1933/4 to 1938/9.<sup>1</sup>

Contract Year	WHOLESALE AND LIQUID CONTRACTS. m. gals.	PRODUCER-RETAILER SALES. m. gals.	MANUFACTURED MILK SALES. m. gals.	FARMHOUSE CHEESE MANUFACTURE. m. gals.	PER-CENT OF MILK PRODUCED SOLD IN THE LIQUID MARKET. %	TOTAL MILK SOLD UNDER THE SCHEME. m. gals.
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Milk Marketing Scheme (England and Wales)

1933/4	524	110	192	19	75.0	845
1934/5	552	113	302	14	67.8	981
1935/6	556	110	342	18	64.8	1 027
1936/7	579	104	289	20	68.9	992
1937/8	621	130	291	22	70.6	1 064*
1938/9	767		352		68.5	1 119

Scottish Milk Marketing Scheme

Dec-March 1933-4	51	21	29	10	64.9	111
1934/5	60	20	36	9	64.0	125
1935/6	63	20	43	8	61.9	134
1936/7	65	20	38	7	65.4	130
1937/8	67	21	37	7	66.4	130
1938/9	78		44		63.6	122

Contract Year.	SALES OF LIQUID MILK m. gals.	MANUFACTURED MILK SALES. m. gals.	AVERAGE LIQUID PRICE. d. p. Gallon	PER-CENT OF MILK PRODUCED SOLD LIQUID. %	TOTAL MILK SOLD UNDER THE SCHEME. m. gals.
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Aberdeen and District Milk Marketing Scheme

Aug-March 1934-5	4.9	0.4	14.50	92.0	5.3
1935/6	7.7	0.8	14.75	90.0	8.5
1936/7	8.0	1.0	14.75	89.0	9.0
1937/8	8.2	1.0	15.08	90.0	9.2
1938/9	8.4	1.0	15.25	90.0	9.4

North of Scotland Milk Marketing Scheme

1934/5	1.8	0.1	14.54	93.0	1.9
1935/6	1.9	0.1	15.00	95.0	2.0
1936/7	1.9	0.1	15.00	94.0	2.0
1937/8	1.9	0.1	15.75	95.0	2.0
1938/9	1.9	0.1	15.38	96.0	2.0

\* This includes 25m. gallons from TT milk producers and 3m. gallons from herds of 4 cows or less. Without this milk the total production was 1 036m. gallons.

1. MAF 52/5, Notes..., pp.23-4; Econ. Ser. No. 48, Marketing Acts, pp. 95-6.

POTATO PRODUCTION AND MARKETING.

The potato industry had little experience of controlled production or marketing until the 1930s, except during the food production campaigns of the 1914-18 War. It was as a result of marked variations in prices due to fluctuating domestic output and stationary demand that programmes for organized marketing were devised by producers in the late 1920s, and then adopted with the aid of the Agricultural Marketing Acts. The Potato Marketing Scheme came close to the original intentions of those drafters of the 1931 Act, who saw that legislation as a means of improving producers' returns by rationalizing marketing, rather than combatting low prices resulting from the world agricultural depression.

Because potatoes were such an important food for human consumption, the powers granted to the Scheme by the government were only such as would allow the marketed volume of the crop to be more attuned to demand, or to encourage better marketing procedures without the direct use of price-fixing. With these powers the Potato Marketing Board went a good deal of the way towards alleviating the problems of fluctuating returns that had beset the industry in the 1920s and which had made potatoes a somewhat speculative crop to grow. However, certain difficulties concerning the seasonal price structure of the market were still evident at the end of the 1930s.

Potato Production and Marketing

During the inter-war years potatoes became the most important arable crop grown on British farms (measured in terms of off-farm sales), until the Wheat Act was passed in 1932. The increase in the potato acreage resulted from the declining profitability of cereals and fodder roots. The potato acreage rose 40% from 1886-96 to 1922-30 in response to favourable price trends, and potatoes were 4.5% of the value of total UK off-farm sales during 1923-39.<sup>1</sup>

1. Agricultural Statistics; Econ. Ser. No. 34, Report on the Reorganization of Potato Marketing, 1931, p. 3; Table F. IV.



This expansion was achieved despite the problems of potato production. Potatoes were costly to grow, and required much manual labour at all stages of production. They were peculiarly susceptible to disease, and were subject to marked variations in prices and output due to the stationary level of demand.<sup>1</sup> Potatoes were, however, a useful clearing crop in arable rotations, and had the advantage that compared with other alternatives, they were a cash crop with animal feed by-products.

Three principal varieties of potatoes were grown — maincrop, 'early' or 'new' potatoes, and seed potatoes. Maincrop supplies were produced mostly in Lincolnshire, Yorkshire, Cambridgeshire, Lancashire, Cheshire, and the Thames Estuary, while new potatoes were grown mainly in Cornwall, Bedfordshire, South Lincolnshire, Pembrokeshire, Lancashire, Cheshire, and Ayrshire.<sup>2</sup> Scotland specialized in seed potatoes and some earlies. Potatoes were grown throughout the country as a subsidiary crop, but with the economic failure of many arable crops there was a general trend in the twentieth century towards the concentration of potato production in the eastern half of Britain. The most important area was around the Wash where nearly one-third of arable land was devoted to this crop and yields were higher than elsewhere.

Great Britain was practically self-supporting in respect of maincrop potatoes — which supplied the major part of the market — but imported half its requirements of new potatoes.<sup>3</sup> Unlike maincrop varieties, domestic seasonal earlies were not grown as part of a rotation, but were often cropped almost continuously off the same land, with a catch crop of rape or kale following in the same year<sup>4</sup>. Generally imports only competed with

1. Blight was the worst disease, sometimes taking 20% of the crop until immune varieties were introduced. By the end of the 1930s however, such problems were largely controlled by seed selection and spraying.

2. Econ. Ser.No.9, Report on the Marketing of Potatoes in England and Wales, 1926, p.1; Astor and Rowntree, British Agriculture, p.124.

3. Domestic output supplied 90% of the UK market, George, R.F., 'Potato Prices in England and Wales, 1909/10-1913/14 and 1926/7-1930/1', JRSS, 1931, p.579.

4. Astor and Rowntree, British Agriculture, p.124.

domestic new potatoes during April to August. New potatoes enjoyed their highest prices from May until the maincrop varieties were available at the end of June. Half the maincrop was produced by 10% of its growers from farms with over 20 acres of potatoes, while just under half the earlies were grown by 75% of their producers on farms with under 5 acres of potatoes.<sup>1</sup> From 1924 to 1934 84% of the UK market was composed of domestic maincrop potatoes, 6% were domestic earlies (seed and animal feed accounted for 20% of home production), 4% were maincrop imports, and 6% were domestic earlies.<sup>2</sup> Spain, the Canary Islands, and the Channel Islands provided new potato imports, while maincrop supplies, imported only when there was a deficiency in the home crop, came from France, Netherlands, Germany, and the Canary Islands.<sup>3</sup>

The main problem facing potato growers was that potatoes were a staple food for which there was a fixed annual and seasonal demand, except when new potatoes became available in the spring. Britain required about 4.6m.tons including seed, chats, and exports, or 4m. tons for human consumption.<sup>4</sup> However, output varied markedly with producers' planting decisions and with yields, and the periodic unrestrained competition of excess production resulted in price collapses. This was unfortunate because of the potato's high food value and usefulness as a cleaning crop in rotations. In the 1920s when supply was approximately equal to demand prices were just below 100s. a ton, yet high output reduced receipts to 38s. in 1922/3 and to 46s. in 1929/30. Low supplies gained 164s. in 1924/5 and 169s. in 1931/2.<sup>5</sup>

1. Econ. Ser. No.34, Potatoes, p.9.

2. Stone, R., Op.Cit., Vol.I, p.120, Econ.Ser.No.34, Potatoes, p.4; MAF 34/330, Market Supply Committee Report on Potatoes, Aug. 1934,p.2.

3. Annual Statements of the Board of Trade; Econ.Ser.No.34,Potatoes, pp.164-5.

4. Chats were potatoes that were too small for human consumption and were fed to animals, and usually amounted to 10% of gross domestic output, Econ. Ser. No.34, Potatoes, pp.39-40.

5. Tables P.I. and P.II.

In years of extreme oversupply it was not worthwhile for farmers to pay to have all their crop lifted, for it was more profitable to feed it directly to animals.

Imports and exports had little bearing on the problem of the surplus. Apart from higher-priced earlies imports were usually small and reacted to price changes rather than caused them. Imports were only of significant size when prices were attractive enough to compensate for high transport costs, and imports could not prevent prices from rising sharply in a year of shortage.<sup>1</sup> The volume of imports was governed by the price difference between Britain and the exporting country.

Domestic output of potatoes in excess of human food requirements was not easily disposed of except for feed, seed, and for export. Although potatoes were used for manufacture on the Continent into farina (or starch flour), alcohol, dried and dehydrated potatoes, dextrose, and glucose, the factories depended upon a regular supply, and were not best served by the varieties of potato grown in Great Britain. These were best suited to human consumption. The irregularity of a potato supply in excess of human requirements made the possibilities of domestic manufacture uncertain, and although a farina industry was started after the Great War it soon collapsed.<sup>2</sup> By 1937 the Potato Marketing Board was operating a factory at Wisbech for drying potatoes for stock feed, which seemed a more practical use for surpluses, if of doubtful profitability.<sup>3</sup> Variations in potato prices tended to be more severe in countries having several alternative outlets for the crop. Thus, it was generally regarded that the simplest, if not always the most profitable method of disposal, was the direct feeding of potatoes to livestock, mostly pigs, which on average utilized 10% of supplies.<sup>4</sup>

1. However, it was the case when there was a large crop in G.B. and N.W. Europe, that even small imports could seriously depress prices.

2. Astor and Rowntree, British Agriculture, p.125.

3. Ibid..

4. Ibid. pp.125-6.

Until 1934, potato marketing was largely unstructured and operated on an informal basis through personal relations between growers and wholesalers. There were specialist potato merchants in the Wash, but elsewhere only general agricultural wholesalers, although some producer-wholesaling and retailing operated near large urban areas and in surplus years. Usually sales were made direct to wholesalers, but country merchants might assist in financing production when farmers needed money, as after the disastrous 1922 crop. This was also due to a desire to share risks, and there was little call on merchants following good returns.<sup>1</sup>

Because most potatoes were sold as a subsidiary product by merchants who did not specialize in potatoes, there was a general lack of organization and an ignorance of factors affecting prices on the part of dealers and growers. Potatoes were a durable enough product to enter the market on a non-seasonal pattern, but the trade was characterized by erratic seasonal market fluctuations and variations between one market and another. The farmers' need for ready cash after the harvest meant that a large part of supplies were sold at the beginning of the season.<sup>2</sup> In addition, the miscalculation by buyers and sellers at this time as to the total amount

1. Usually the merchant rented a field from the farmer, and provided seed and manure, whilst the farmer supplied labour at an agreed rate for planting and lifting (when there was often a shortage of labour). Sometimes the merchant bought a growing crop at an agreed price per ton or per acre. The farmer then bought back seed and chats, and the merchant paid at least one-third of the estimated price when the agreement was made (in August or September), one-third when lifted, and the remainder when cleared. Such practices were more frequent in the north and north-east on medium-sized farms, usually to share the risks of production and so that farmers might make use of traders' services in organizing and paying for the casual hand labour necessary to lift and dress the crop. Econ. Ser. No.9, Potatoes, pp.20-2.

2. Cohen, Ruth, Factors Affecting the Price of Potatoes in Great Britain, (University of Cambridge, Farm Economics Branch Report no. 15, 1930), p.3.

of the crop had a disruptive influence upon sales then. Inter-market variations were due principally to the high transport cost of potatoes and the lack of suitably precise market intelligence.<sup>1</sup>

Potato marketing was also fraught with difficulties presented by the lack of standardization of producer and trade practices. There were at least 50 different types of potatoes, which also varied according to the type of soil they were grown in, and wholesale contracts were seldom written or based upon any definite standards. Varying and ungraded potato sizes, and different methods and weights of packaging, made comparison of price levels and the preparation of adequate market intelligence a difficult task. The wholesale trade needed standards because it had so many vague ones, and the retail trade had none at all, so consumers could not rely upon regulated qualities. Little reward was given to higher quality, and the absence of uniformity added considerably to the costs of marketing.<sup>2</sup> There had been various attempts at standardization following an Economic Series report in 1926,<sup>3</sup> and four grades were prescribed under the 1928 Agricultural Produce (Grading and Marking) Act, but they were never commonly used.<sup>4</sup> However, in 1929 a Joint Consultative Committee was set up representing the Ministry, the NFU, the London and North-Eastern Railway Co., and later the National Federation of Fruit and Potato Traders' Associations (NFF & PTA), which disseminated some market information.

There were few co-operative organizations dealing specifically in potatoes in the 1920s, although a number of fruit and vegetable associations

1. Transactions were not recorded at production exchanges and daily price information was unavailable.

2. Econ. Ser. No. 34, Potatoes, pp. 33-5.

3. Econ. Ser. No. 9, Potatoes.

4. Econ. Ser. No. 34, Potatoes, pp. 44-5.

handled this crop. Returns were generally high in this decade, but after the sharp fall in incomes in 1929/30, and partly under the influence of the 1926 Report and statutory grading opportunities, a number of local schemes were applying grades and giving market information and advice by 1931.<sup>1</sup> However, the industry was still mostly unorganized. In 1929/30 there were 36 societies handling only 8 000 tons. Two-thirds of this was traded by the East Anglian Farmers Ltd. and the South West Lancashire Farmers Ltd., and only 5 000-10 000 tons were sold at auction.<sup>2</sup>

The need for regulating domestic potato marketing became more pressing from 1928. The alternative was seen as being further disruption in the arable crop markets due to an excessive expansion of the potato acreage. Plans for large-scale organization were discussed and national and statutory bodies were proposed even before the 1931 Agricultural Marketing Act.<sup>3</sup> Potatoes were eminently suited to controlled national marketing, for except for earlies, home production supplied nearly all the market and imports could be controlled with little political difficulty.<sup>4</sup> Potatoes were durable enough to allow controlled seasonal marketing, and could be regulated according to size and quality in order to guard against oversupply. In this way the human market could offer a suitable return to growers and any excess output could be fed to livestock!.

#### The Potato Marketing Scheme, 1934

Potato growers had first experienced organized marketing and government controls following the wartime harvest of 1916, when guarantees of £6 a ton were offered to ensure that the 1917 crop supplied demand.<sup>5</sup> In fact a

1. Graph FIV. Chief amongst these schemes were the Cumberland Seed Potato Growers' Assoc. (formed 1929), March and District Potato Growers' Assoc. (1928), S. Lincolnshire Potato Merchants' Assoc. - Market Advisory Section, (1930), Isle of Ely Potato Growers' Assoc. (1929), British United Potato Marketing Board (1929).

2. Econ. Ser. No.34, Potatoes, p.27.

3. Ibid. p.53; MAF 34/330, 'Stabilizing the Potato Industry of Great Britain', Suggestions for schemes and Draft Scheme from NFU for G.B.

4. Astor and Rowntree, British Agriculture, p.126; NFU, Report of the Potato Committee of the NFU, (1933).

5. Hammond, R.J., Food, Vol.II, (1956), p.106.

bountiful crop made a nonsense of attempts to establish this price merely by prohibiting sales below it, and after considering various subsidy schemes, the War Cabinet abolished the minimum price guarantee. Instead, the government undertook to pay the difference between £6 a ton and either the average price realized by the grower in any given month, or a "base price" fixed by the Food Controller, whichever was the greater. For 1918 a bolder (but in fact less expensive) course was taken of purchasing the whole main crop at prices laid down in advance, and organizing distribution in 22 zones. The Ministry of Food disposed of a surplus to the Continent, making a nominal loss on its trading account. Plans for potato flour production were drawn up as insurance against cereal shortages in 1919 but they were not needed, and thereafter potatoes were without government support until 1932.<sup>1</sup>

The Potato Marketing Scheme was not modelled upon the recommendations of a Reorganization Commission, but on proposals from producers' representatives following their own enquiries and two Ministry reports. These were drawn up after local co-operative ventures had failed to be effective. Two voluntary schemes were proposed by the NFU in 1929-30, but suggestions in 1929 for a legislated scheme were considered premature.<sup>2</sup> After the 1931 Act the Union embodied its proposals in Stabilizing the Potato Industry of Great Britain,<sup>3</sup> which was endorsed by the NFU of Scotland and the NFF & PTA(Inc) Ltd.. It provided for sales through a single board for Great Britain, contracts for several years, grading, packaging, price-fixing, and surplus control. At the public enquiry there was no representation hostile to its principles, although some Scottish farmers and merchants obtained slight modifications, and the Scheme commenced operation in March 1934.

1. Ibid. pp.105-7; Beveridge, W.H., British Food Control, p.156.

2. MAF 34/330, Potato Marketing Scheme, Notes for the Minister, 1933, pp.1-2.

3. NFU, Stabilizing the Potato Industry of Great Britain, (1933).

The central approach of the 1934 Potato Marketing Scheme was an attempt to regulate the production and output of ware potatoes placed on the market for human consumption, and thus prevent marked price fluctuations. This was achieved fairly successfully through a loose control of the acreage and by describing the size of ware potatoes.<sup>1</sup> Thus, the Board needed to estimate the available supply of potatoes each year, and determine the amount to be marketed such that growers received a reasonable remuneration and consumers were not charged excessive prices. The Board might then assist in the disposal of any surplus, which it might buy, sell, manufacture, store, transport, and promote as feed. It divided Great Britain into nine administrative districts and had also to appoint an advisory committee representing retailers, and one representing Scotland.<sup>2</sup>

Under the Scheme, all producers with over one acre of potatoes were required to become registered, and in the first year each farmer was allotted a permitted acreage by the Basic Acreage Committee. This was derived from the farmers' average of the preceding two or three years (excluding seed or export potatoes), or as a concession to small producers the maximum acreage up to seven acres.<sup>3</sup> This was a generous allowance, for the 1933 acreage was the highest since 1922. A charge of 5s. per acre was levied on the basic acreage entitling the farmer to grow potatoes. This acreage might be extended by paying a £5 per acre levy, and these charges provided the administration funds for the Scheme. Thus those farmers who produced the surplus paid more for its disposal. The £5 charge was intended to discourage expansion, but if not reclaimed the next year it gave a permanent entitlement to increased cultivation.

The output to be placed on the human market was controlled by the use of the riddle, the size of which depended upon the annual output. In fact

1. Alternatively the Board could have determined the quantity any producer was allowed to sell through a tonnage quota on all producers, as operated under the Hops Marketing Scheme, MAF 34/330, Potato Marketing Scheme - Notes for the Minister, (1933) p.12.

2. Potato Marketing Scheme (Approval) Order, 1933.

3. The Board might also allot a basic acreage at its own discretion, i.e. where land had been left fallow to clear eelworm.



it had long been customary to sort potatoes into ware potatoes (over 1 $\frac{3}{4}$ " diameter), seed potatoes (1 $\frac{1}{4}$ " - 1 $\frac{3}{4}$ "), and chats (under 1 $\frac{1}{4}$ "). This penalized districts where the natural size was small owing to soil and climatic conditions and a few complaints were expressed, notably in the midlands, but were partly offset by the use of different riddles for different varieties.<sup>1</sup> The Board was also able to control market supplies by prescribing regulations for grading package, storage and transport.

Although controls of acreage and marketed supplies covered almost all potatoes sold, it was felt necessary to extend controls to imports and thus give confidence to growers who believed that imports had an adverse effect upon prices. Farmers were often mistaken as to the amounts that were imported. The Board published figures at the commencement of the Scheme to show the true level of supply, and it was emphasized that imports reacted to and did not affect British price levels. However, if the British market was to be made more attractive some import regulation was required.<sup>2</sup>

Protection against potato imports had been available for two years before the Scheme commenced operation. A 10% ad valorem duty had been charged under the Import Duties Act, and on the recommendations of the Import Duties Advisory Committee this was followed by an order making the total duty on new potato imports 4s.8d. per cwt. during November to June, and 1s. per cwt. on all other new and maincrop potato imports.<sup>3</sup> Following representations from growers in 1933 (when their incomes were low) that this duty was inadequate, and in order to remove the lack of confidence prevailing among producers at a time when they were reorganizing their industry, this protection was doubled to 2s. a cwt. during July to August. These were the months when the level of home supplies usually equalled demand.<sup>4</sup> The duties were intended as only a temporary aid to marketing

1. Astor and Rowntree, British Agriculture, p.128.

2. MAF 34/330, Deputation to Minister of Agriculture from PMB, 5 June 1934, and Press Notice of Deputation, 5 June 1934.

3. Additional Import Duties (No.4) Order, 1932.

4. Graph F.IV; Additional Import Duties (No.8) Order, 1933; MAF 40/109, Import Duties Advisory Committee, Recommendations under Sect.3 in regard to additional duties on potatoes, 12 April 1933

reform, but they were to remain throughout the 1930s. In addition, voluntary import controls were agreed for September 1933 to November 1934, principally with Holland, Belgium, Spain, the Canary Islands, and the Irish Free State, and thereafter they were made compulsory on the recommendations of the Market Supply Committee.<sup>1</sup>

Import regulation by reference to price movements in the British market was impractical owing to the wide range of prices for different varieties and markets, and to violent short-term fluctuations. Consequently, maincrop imports were regulated in order to make up deficiencies in domestic output. From November 1934 estimates of home production were made available in December, and then provisional figures for total annual imports and quotas were derived and allotted through the Board of Trade, not to countries, but to potato importers.<sup>2</sup> Import licences were given for specific seasonally-adjusted monthly periods for up to 180 000 tons of earlies and 120 000 tons of maincrop potatoes per annum.<sup>3</sup> Since potato imports required annual and seasonal planning, this was the best method of adjustment and calculated to be less upsetting to other countries than national quotas. Potatoes were not a significant export of any country to Great Britain, and consequently this regulation proved acceptable on the Continent. Thus it depended upon the individual exporter to find a licensed importer to sell to. Under this system of protection maincrop potato imports were 80.9% lower in 1933-9 compared with 1923-9, and imports of earlies were 68.6% higher, while total imports were reduced 47.0%.<sup>4</sup>

1. Astor & Rowntree, British Agriculture, p.127.

2. This commenced with the Potato (Import Regulations) Order, 1934.

3. The Channel Islands might consign 60 000 tons of earlies, and 100 000 tons of maincrop potatoes were to be imported before July, unless under licence for manufacture if home supplies were unavailable. MAF 34/330, Market Supply Committee, Report on Potatoes, 8.8.34, p.12.

4. Table P.III.

The only difficulty encountered by this form of protection occurred following the low 1935 crop, when fears of a shortage were expressed by importers. Although their quotas were unfulfilled, they could not import owing to a Continental shortage and high prices, such that British import duties made it relatively unprofitable to export to the UK.<sup>1</sup> It became obvious that the duty aggravated the shortage of the 1935/6 season, and consequently the maincrop potato duty was removed from 26 March to 1 July 1936 despite strong opposition from the Board and without any opportunity for it to voice its disagreement.<sup>2</sup> This was a necessary action, and demonstrated the danger of giving a producer board complete control. Despite substantial imports of maincrop potatoes prices continued to rise until May, but even without the duty imports did not reach the quantity for which quotas had been provided.<sup>3</sup>

Import quotas were successful in reducing imports and ensuring that they did not depress the British market. However, imports had not done this before the Scheme. When the controls tended towards endangering consumers' interests the mechanism was sufficiently adjustable to prevent shortages and unduly inflated prices. Perhaps the most important aspect of this import control was the additional knowledge and regulation in respect of the flow of monthly supplies onto the market that it made possible.

The Board did not find itself able to make any advances in respect of marketing potatoes, although it was enabled to supervise wholesale and other sale contracts. The Board could determine the persons to or through whom a producer might sell his crop, although there were numerous exemptions<sup>4</sup>, and

1. MAF 40/109, Letter from Import Duties Advisory Committee to the Ministry of Agriculture, 22 Jan. 1936.

2. Import Duties (Exemptions) No.2 Order, 1936; Import Duties (Exemptions) No.4 Order, 1936; Additional Import Duties (No.7) Order, 1936; Additional Import Duties, (No.13) Order 1936.

3. Table P.III; MAF 40/109, Import Duties (Exemptions) No.4 Order, 1936, and Additional Import Duties (No.13) Order, 1936, pp.1-2.

4. These were for sales of under 1 cwt., sales in statutory, customary, and auction markets, sales of new potatoes (planted, lifted, sold, and delivered between September and July), and sales direct to manufacturers, government departments, local authorities, hospitals, schools, restaurants, or direct to retailers. Potato Marketing Scheme (Approval) Order, 1933.

from November 1935 all other sales were permitted only through authorized merchants.<sup>1</sup> A very high number of merchants were registered under the Scheme, so the aggregate cost of wholesale distribution was correspondingly high. There was inefficiency due to the overlapping of country or collecting merchants' and town or distributing merchants' areas of collection and supply, and with grower-dealers, who were especially prominent in Scotland.<sup>2</sup> There were also many itinerant agents who provided no permanent outlets but caused instability in the marketing of the crop, and direct selling to retailers and catering establishments made it easy to break the Board's regulations. Certain statutory and customary markets were disadvantageous to orderly profitable marketing, and in some cases perpetuated the evils of commission sales (which had been formally abolished by a producer referendum), under which potatoes were poured onto the market with little regard for the possible demand and cleared at any realizable price. Potatoes which failed to find a buyer were then hawked around retail shops, proving a serious competitive element against authorized merchants, who then attempted to purchase potatoes from growers at lower prices.<sup>3</sup>

The Board was enabled to regulate supplies coming on to the market, but had trading functions only in respect of the surplus. Because potatoes were such an important food no price fixing powers were granted as in the Hops Marketing Scheme. The Ministry realized that regulations might be broken in a year of surplus, but the alternative was a pooling scheme and the Ministry claimed that it was reluctant to give an inexperienced board control of over £12m. worth of potatoes which were a notoriously difficult commodity

1. Astor and Rowntree, British Agriculture, p.128.

2. MAF 34/361, Report of the Special Committee, 1 June 1939, p.10.

3. Ibid. pp.12, 15-16.

to market.<sup>1</sup> Thus the regulatory scheme interfered as little as possible with the established channels of trade, with the resultant impossibility of achieving any reform. It was operated as proposed and agreed to by producers, the NFF & PTA's Ltd., and the Retailers' Committee.

In keeping with this approach, it was decided that although the Board might not fix prices, it could recommend prices at which producers should sell, and local Marketing Co-ordination Committees were established to eliminate price-cutting.<sup>2</sup> Although without statutory powers, they could report recalcitrant farmers to the Board, which might remove the offenders' trading authorization. Powers in the hands of the Unfair Trading and Price Cutting Committee might have enabled the Board and merchants to split the profits of exploiting consumers, but restrictions could have been imposed through the Consumers' Committee and Committee of Investigation.<sup>3</sup> Thus low and fluctuating prices were prevented, and so also were excessively high levels. Consumers gained the benefits of more stable price levels, and some grading and standardization, without the Board artificially creating high prices.<sup>4</sup> Except for shortages in 1936/7, the Scheme significantly reduced fluctuations in prices, in acreage, and in production, and maintained a remunerative level of returns.<sup>5</sup> Producers found potatoes a less speculative crop to grow and in respect of price-supply planning the Potato Marketing Board was one of the more successful of the marketing boards.<sup>6</sup>

However, the Board was aware of some limitations to the operation of the Scheme, and in 1938 it brought forward proposals for amendments. In

1. The milk and hop industries had considerable previous experience of controlled production and marketing. Not all of the £12m. of potatoes grown were sold for human consumption, MAF 34/330, Potato Marketing Scheme - Notes for the Minister, 1933, pp.17-18.

2. Astor and Rowntree, British Agriculture, p.128.

3. Ibid..

4. Potato Marketing Board, Report on the Operation of the Potato Marketing Scheme, (1955), p.5.

5. Tables PI and PII; Graph F.IV.

6. Astor and Rowntree, British Agriculture, pp.127 & 129.

addition to minor technical details, these included powers to incorporate seed and export potato growers in the Scheme, making them liable for acreage levies on the grounds that they benefited from and should share in the costs of the Scheme, and that their exemption produced administrative difficulties. More clearly defined and expanded powers for the sale of the surplus were also called for.<sup>1</sup> The existing powers did not allow the Board to trade in surplus potatoes unless they were unlikely to be used for human consumption, whereas these proposals would allow sales to consumers provided that this would not dislocate the market. Numerous objections to the amendments resulted in a public enquiry being called.<sup>2</sup> Dealers and consumers were worried that by obtaining a complete monopoly the Board could manipulate prices, and desired that additional powers should not be given until the Board had fully tried its existing authority. In the event, because of strenuous opposition to the proposals, parliamentary debate was delayed until the war caused their indefinite postponement.

While these amendments were under discussion, the Board appointed a special committee in December 1938 to enquire into the Scheme and decide whether further powers could and should be sought. The report in June 1939 concluded that the powers possessed by the Board were capable of controlling the total market supply of a season.<sup>3</sup> However, although annual fluctuations were reduced prices often remained at very low levels (even after riddle, grade, and weight prescriptions had been applied) and reacted to remedial measures only after a surplus was no longer in physical existence, around April to May<sup>4</sup>. It was believed that the powers restricting the flow onto the market were not sufficient, and that two-thirds of the crop was still

1. MAF 34/352, Preliminary Comments on the Final Draft of the Proposed Amendments to the P.M.S. 1933; Potato Marketing Scheme 1933, Amendments to Schedule D, Clause 4; Proposed Amendments to the Potato Marketing Scheme 1933, Potato Marketing Board, 1938.

2. MAF 34/359, Public Inquiry held into Amendments, 1938-9.

3. MAF 34/361, Report of the Special Committee, 1 June 1939.

4. Ibid. p.5.

marketed under depressed conditions. Support for the crop was necessary immediately after the harvest, for growers continued to sell most of their output then, not only because of financial needs, but because poor storage could bring losses through wastage and disease. Domestic sales licences for merchants, allocated on a monthly quota, were technically possible but not politically practical. It was believed that the problem could only be met through incentives to sell late through a wider knowledge of the markets and better credit after the harvest, rather than prohibitions on early sales. Seasonal riddles and minimum monthly prices avoided the financial aspects of the question.<sup>1</sup> However, the Board had made loans available to producers for two-thirds of prospective sales in order that growers should be less dependent on expensive merchant finance, but this had had little effect on the pattern of sales.

With no suitable alternative to the human market available,<sup>2</sup> the Committee concluded that the most important amendment was a system of monthly prices, rising throughout the year, designed to counter precipitate marketing.<sup>3</sup> This would remove farmers' uncertainties about seasonal price trends, and sales could be slowed or accelerated depending upon the market supply situation. It was felt that a minimum price guarantee gave the Board a moral obligation to compensate any producer who was unable to dispose of the residue of his crop at the end of the season. Consequently an insurance fund would be raised from a sales levy collected by merchants, so the Board might purchase such stocks at the lowest minimum seasonal price. If the fund was insufficient additional pro rata payments would be collected. Wider credit facilities would also be offered to counter precipitate marketing on

1. Ibid. p.7.

2. The Potato Marketing Board's factory was brought into existence and maintained only by the Board's subsidies, and stock consumption remained the major surplus output.

3. MAF 34/361, Report of the Special Committee, 1939, p.18; King Edward potatoes would rise from 80s. a ton in October to 100s. in June, while other varieties might move from 60s. to 80s..

condition that the crop was not sold before a certain date.<sup>1</sup>

It was now realized that a minimum price policy entailed risks of overproduction and that a substantial proportion of the basic acreages would be cultivated for the first time. It was decided that since the £5 per acre levy would become a diminishing deterrent to expansion, then it should be paid every five years and not be an entitlement to a permanent increase.<sup>2</sup>

Finally wholesaling and distribution were examined. The principal recommendations were that separate licences be issued to county merchants (enabling them to buy anywhere) and town merchants (allowing them purchase in a restricted area), to stop unnecessary competition and high transport charges.<sup>3</sup>

Together these proposals formed a most constructive approach to the remaining problems of potato marketing. The Board was initially hesitant in its reactions to the Report, and the war prevented any action being taken.<sup>4</sup> It is probable that political difficulties would have been experienced chiefly with regard to the minimum price guarantee, since some critics believed that the marketing boards, especially those controlling important foods, should not be governed merely by producers but by nominated bodies representing the interests of the community as a whole. With this type of commodity commission structure imposed upon the Scheme, price guarantees might then have been more acceptable although they were not initially granted to the Board.

#### The Potato Marketing Board and Potato Production in the 1930s

It was because potatoes were an important human food that the Potato Marketing Board was mostly a regulatory body. The Board determined the conditions and channels of sale, and reduced annual fluctuations in price by

1. Ibid. pp.27-30.

2. Ibid. p.32.

3. Ibid. p.21.

4. MAF 34/361, Meetings of Potato Marketing Board 15-16 June and 6-7 July 1939.



relating domestic output and requirements through the use of the riddle. It could only trade in potatoes surplus to human consumption. The Potato Board succeeded in raising the very low prices and gross returns which farmers had received in years of high output. In years of smaller crops prices were not higher than before the Scheme, and increased imports were permitted under licence from the Board of Trade:

The less violent annual changes in acreage after 1934 support the view that reasonable and stable incomes were afforded to producers through the Scheme. Consumers received more regular supplies, although they paid slightly more for them in years of high yield. Generally the Potato Marketing Scheme was one of the more successful of those created under the Marketing Acts, and probably came closest to the intentions of the drafters of the first statute, largely because it was concerned with the management of an irregular domestic surplus and because it made some attempts to face difficulties in the marketing and sale of the commodity for which it was responsible.

Table P.I

Potato Prices and Returns Per-Acre in Great Britain,  
1911-13, 1922/3 to 1938/9.<sup>1</sup>

YEAR	ENGLAND AND WALES						SCOTLAND	
	PRICES TO GROWERS PER TON.		RETURN TO GROWERS PER ACRE		WHOLESALE POTATO PRICES		WHOLESALE POTATO PRICES	
	s.	d.	s.	d.	s.	d.	s.	d.
1911-13	62	6	456	3	-		-	
1922/3	36	10	279	11	71	6	97	6
1923/4	131	0	772	11	185	6	200	11
1924/5	164	0	984	0	187	0	281	5
1925/6	89	7	591	3	108	6	117	11
1926/7	115	2	656	6	143	0	149	11
1927/8	110	1	638	6	141	0	135	0
1928/9	75	8	544	9	100	6	103	0
1929/30	46	0	326	7	72	0	65	3
1930/1	114	0	752	5	127	6	122	7
1931/2	169	0	929	6	181	0	177	4
1932/3	65	6	445	5	85	0	55	8
1933/4	60	0	408	0	84	0	69	7
1934/5	80	0	568	0	102	0	80	0
1935/6	111	6	702	5	136	0	116	0
1936/7	135	6	880	9	-		115	4
1937/8	95	6	658	11	-		109	10
1938/9	74	6	536	5	-		104	6

1. Prices are for Sept.-May when the bulk of the crop was sold. Prices in 1911-13 are the average of Edward VII and Up-to-Date varieties from Cohen, Price of Potatoes, p. 7; 1922/2 to 1928/9 prices are average of Grower's Seasonal and Wisbech prices for all varieties sold from MAF 34/330, The Potato Marketing Scheme—Notes for the Minister, p. 34, and Market Supply Committee Report on Potatoes, p. 2; prices for 1929/30 to 1938/9 are for Edward VII and Arran varieties from Agricultural Statistics. These figures represent the most commonly grown types at each time. Scottish wholesale prices were from the Scottish Agricultural Statistics.

Table P. II

The Acreage and Production of Potatoes in Great Britain, 1911-13 to 1939.<sup>1</sup>

YEAR	A C R E A G E (ACRES).			P R O D U C T I O N (TONS).			YIELD TONS PER ACRE G. B.
	GREAT BRITAIN	ENGLAND AND WALES	SCOTLAND	GREAT BRITAIN	ENGLAND AND WALES	SCOTLAND	
1911-13	591 862	444 703	147 159	3 623 457	2 661 941	961 526	6.5
1914	613 939	461 621	152 318	4 031 000	2 953 000	1 073 000	6.6
1915	607 792	463 399	144 393	3 830 000	2 858 000	977 000	6.3
1916	558 067	427 948	130 119	3 036 000	2 505 000	531 000	5.4
1917	655 704	507 987	147 717	4 451 000	3 341 000	1 110 000	6.8
1918	803 329	633 832	169 497	5 360 000	4 209 000	1 151 000	6.7
1919	629 972	475 376	154 596	3 565 000	2 733 000	832 000	6.7
1920	707 092	544 615	162 477	4 388 000	3 151 000	1 237 000	6.2
1921	711 620	557 800	153 820	3 998 000	2 958 000	1 040 000	5.6
1922	718 581	561 177	157 404	5 203 000	4 012 000	1 191 000	7.6
1923	603 629	466 653	136 976	3 579 000	2 758 000	821 000	5.9
1924	590 523	452 242	138 281	3 541 000	2 696 000	845 000	6.0
1925	635 396	493 241	142 155	4 209 000	3 214 000	995 000	6.6
1926	641 281	499 400	141 871	3 662 000	2 763 000	899 000	5.7
1927	661 131	513 947	147 184	3 854 000	3 055 000	799 000	5.8
1928	633 045	489 019	144 026	4 545 000	3 513 000	1 032 000	7.2
1929	663 578	518 808	144 776	4 743 000	3 588 000	1 155 000	7.1
1930	548 018	424 660	123 352	3 603 000	2 743 000	860 000	6.6
1931	574 874	446 772	128 162	3 154 000	2 454 000	700 000	5.5
1932	652 814	504 275	148 539	4 450 000	3 308 000	1 142 000	6.8
1933	671 447	518 934	152 513	4 555 000	3 478 000	1 077 000	6.8
1934	627 556	487 558	139 998	4 464 000	3 439 000	1 025 000	7.1
1935	594 392	462 796	131 596	3 765 000	2 879 000	886 000	6.3
1936	589 626	456 569	133 057	3 804 000	2 814 000	990 000	6.5
1937	590 692	455 296	135 396	4 048 000	3 126 000	922 000	6.9
1938	609 564	474 786	134 758	4 404 000	3 486 000	918 000	7.2
1939	558 310	453 976	134 334	4 352 000	3 312 000	1 040 000	7.4

1. Agricultural Statistics.

## UK Potato Imports and Retail Potato Prices, 1911-13 to 1939.

YEAR	I M P O R T S T O U K <sup>1</sup>			R E T A I L P R I C E S <sup>2</sup>	
	NEW POTATOES	MAINCROP POTATOES	TOTAL	HOME PRODUCE PER TON	IMPORTS PER TON
	Tons	Tons	Tons	s. d.	s. d.
1911-13	24 389	284 093	308 483	128 10	
				114 2	
1914	78 410	88 197	166 608	108 0	
1915	77 686	30 848	108 535	162 2	
1916	74 620	14 792	89 412	240 0	
1917	46 094	33 402	79 947	192 0	
1918	50 739	0	50 739	234 2	
1919	37 248	12 195	49 444		
1920	61 029	199 475	260 505	249 4	714 8
1921	62 434	90 619	153 054	277 4	728 0
1922	61 057	110 473	171 529	208 0	710 9
1923	90 479	152 813	243 292	173 4	437 4
1924	76 829	373 665	450 494	288 0	434 8
1925	95 545	396 391	491 936	245 4	346 8
1926	107 228	231 583	338 812	197 4	386 8
1927	84 902	206 676	291 578	218 8	488 0
1928	113 628	362 440	476 068	213 4	370 8
1929	124 860	168 599	293 459	176 0	392 0
1930	106 163	182 916	289 078	152 0	333 4
1931	134 076	698 585	832 661	218 8	301 4
1932	222 559	555 460	778 020	213 4	266 8
1933	148 728	47 676	196 405	149 4	378 8
1934	141 839	12 013	153 852	165 4	490 8
1935	176 671	14 134	190 804	178 8	525 4
1936	166 689	149 688	316 378	200 0	352 0
1937	123 988	98 320	222 309	202 8	370 8
1938	119 909	26 247	146 156	181 4	506 8
1939	132 954	13 200	146 154	-	-

1. Annual Statements of the Board of Trade. Imports were separated into new and maincrop potatoes assuming that all Spanish, Canary Island, and Channel Island consignments were new potatoes and all other imports were maincrop varieties.

2. Stone, Consumer Expenditure and Behaviour, p. 120.

THE PIG INDUSTRY AND THE PIGS AND BACON MARKETING SCHEMES

The British pig industry was beset by a number of different problems in the inter-war years. Pig production suffered from a four-year cycle in the levels of output, prices, and producers' incomes, and the bacon industry faced severe import competition from Danish producers who had directed their output largely towards the British market. In addition, as with beef and milk, or eggs and poultry, productive efficiency and specialization were restricted by the existence of dual markets, in this case for both pork and bacon. This duality, together with the influence of the pig cycle, made difficult the maintenance of an efficient annual level of bacon curing factory throughput. In addition, the grading and marketing of pigs shared many of the deficiencies of other sectors of domestic agriculture.

The operation of the Pigs and Bacon Marketing Schemes was one of the most misdirected areas of government agricultural policy. These were introduced in 1933 to meet the intensification of the industry's problems which began during the world depression. In addition to production and marketing reforms, it was intended that bacon production should be expanded in order to win back that area of the home market which had been lost to import competition in the 1920s. However, a badly prepared pig marketing and pricing policy, and consumers' preference for higher quality foreign bacon brought about the collapse of the schemes in 1937 and 1938. These were provided with subsidy payments and reconstituted in 1938 with a structure more akin to the commodity commissions. However, they were able to effect little change before the outbreak of the Second World War.

The Pig Industry

The British pig industry was concentrated in England and Wales, and in 1923-38 pigs comprised 10% of the value of UK off-farm sales.<sup>1</sup> After a period of expansion from the late nineteenth century, the domestic industry was virtually stationary from before the First World War until statutory reorganization in the 1930s. This was despite a growing consuming population and an increase in the volume of total British pig meat supplies. However,

1. Table F.IV.

the pig population rose by 150% in Denmark during 1909-29, by 40% in Sweden during 1913-28, and by 50% in Holland during 1913-30; the increased output <sup>was</sup> largely ~~being~~ exported to Great Britain.<sup>1</sup> Opportunities for expansion were thus not met by the home industry. Pork and bacon were largely consumed as low quality meats by the poorer sectors of the nation in the nineteenth century, and while domestic output had risen slightly with the rise in living standards, British production remained of low quality. The increase in consumption in the twentieth century was for a quality meat, which the Danish industry especially was more capable of supplying.

Great Britain was the most important buyer of pigmeat on the international market.<sup>2</sup> There was virtually no export market for bacon outside the UK, and up to 1932 bacon and ham imports took an increasingly predominant hold on the market. Prior to 1914 imports comprised 70% of bacon and ham and 15% of pork, or 57% of total pigmeat supplies.<sup>3</sup> Because home production remained static while demand increased, in 1930-2 these figures were 83%, 17%, and 68% respectively.<sup>4</sup> The most important exporters were then Denmark, Poland, USA, Sweden, Lithuania, Irish Free State, and Canada, in that order.

A characteristic feature of the pig industry was that it suffered from a marked four-year cycle in price and production. This was separate from seasonal changes in supply due to customary methods of production such as the association of cheese-making and pig feeding in the summer, and from seasonal demand. During 1923-31 bacon pig prices in England and Wales varied from 22% above the trend to 41% below, whereas beef, mutton, and lamb fluctuations were only 2½%.<sup>5</sup>

1. Econ. Ser. No. 37, Report of the Reorganization Commission for Pigs and Pig Products, 1932, pp.6-7.

2. In 1928-30 the UK imported an average 13½m.cwt. of a total world trade of 24m. cwt., Ibid. p.9.

3. Astor and Rowntree, British Agriculture, p.218.

4. Table PB.1.

5. Econ.Ser.No.37, Pigs and Pig Products, p.13; Table PB.I.

The pig cycle was caused by changes in the domestic supply of pigs and pigmeat, imports having only a subsidiary influence. When feed was relatively less expensive and pigs were more profitable farmers bred more sows, and this resulted in a higher pig population 21-24 months later.<sup>1</sup> At this peak of the population and supply cycle the market became depressed, feed prices rose, and as farmers incurred reduced incomes or losses they sold more sows than usual. The resulting cut-back took two years to be fully realized, returning the cycle to its initial point.<sup>2</sup> Farmers' production decisions tended to be based upon the assumption that existing pig and feed price relationships would continue. The price of British pig feed, which was largely imported, was influenced by cyclical changes in world prices which probably influenced the cycle as much as British pig numbers affected the feed market. It was relatively easy for farmers to enter or leave pig production, and the cycle was probably largely influenced by the great number of casual producers, often feeding some poor quality kitchen and farm waste.

British pigs were usually bred and fattened without any consideration as to whether they would eventually be sold for pork or held back for bacon. Consequently there were few specialized pig breeds, resulting in a generally low domestic quality compared to more selective foreign supplies, especially from Denmark. Specialized British producers were in a minority, although greater attention was shown to pork production after the 1926 embargo on continental stock imports.<sup>3</sup> A large number of producers vacillated according to their judgement of the relative profits of pork or bacon

1. This was due to a twelve months lag between the decision to breed the sow and her first mating, a four month pregnancy, and a further five months before the litter became mature pork pigs, or 8-9 months for mature bacon pigs.

2. Tables PB.I, PB.II, F.IV, and Graph F.V.

3. This was a protective measure against foot-and-mouth disease.

production. Pork production was probably more profitable after 1926, especially if it was in close proximity to a first-class pork market such as London or Birmingham. Cornish or Norfolk pig producers were better advised to consider bacon production, on account of their distance from such markets.<sup>1</sup> If pork and bacon were to sell at approximately the same price to consumers, factory and curing expenses meant that bacon pig producers were paid less per pound than pork producers, and pork pigs thus offered the better chances of profit.<sup>2</sup>

Pork pig production comprised 70.9% of the value of off-farm pig sales in 1923-32. Although the pork market was protected after 1926, demand was limited to from two-thirds to under half that of bacon across the period, and was seasonal, being low in summer.<sup>3</sup> Pork production offered a quicker turnover, with slaughter at five months (70 - 80lbs. deadweight) as soon as the period of greatest susceptibility to disease was over. Compared with bacon pig production there was a larger weight gain per pound of feed consumed, but a 30-35% loss from liveweight to deadweight.<sup>4</sup>

If at five months age the pork market did not offer a suitable return for the pig, farmers might continue feeding and sell at 8-9 months (160lbs. deadweight) in the bacon market. Bacon and hams were saleable throughout the year in a relatively unlimited, but unprotected, market. Sows farrowed most conveniently in the spring, and consequently bacon market prices were at their lowest from September to December, when pork feeders that were twelve weeks old or under in mid-May were coming up for sale as bacon. Bacon pigs enjoyed a longer period of immunity from disease than pork pigs, but had a slower turnover and required more expensive equipment.<sup>5</sup>

1. Phillimore, Lord, 'Economics in Pig Production', JRASE, 1930.

2. Hammond, J., 'Pigs for Pork and Pigs for Bacon', JRASE, 1932. p.131.

3. Table PB.I; Hammond, Op.Cit. p.131. It used to be said that like oysters, pork should not be eaten unless there was an 'r' in the month.

4. Phillimore, Op.Cit. p.59.

5. Ibid..



There was also a lower weight gain on feed consumed, but only a 21-25% loss from liveweight to deadweight.<sup>1</sup> Bacon production offered an outlet for summer supplies of young store pigs and the factories were a steady factor in the market.

It was bacon production that suffered from this substitution of one pig market for the other. Whilst a bacon pig would give good pork, the reverse was not true,<sup>2</sup> but except in times of low prices and large supplies, many pork pigs unsuited to good bacon production often went to the factories. The low standard of domestic bacon production was a significant factor in the capture of the British market by foreign produce, for consumers had come to demand uniform sizes and quality of bacon and hams. In 1932 only 40% of domestic bacon pigs were suitable for the production of first quality bacon.<sup>3</sup>

Pig producers were essentially divided into three production groups: those who bred only; those who fed only; and those who engaged in breeding and feeding. Perhaps two-thirds of weaners were sold to feeders, which as partially fed store stock might change hands on speculation several times before slaughter.<sup>4</sup>

There were necessarily only a few commercial breeders of pedigree stock. There was a general lack of attention to directing breeding for performance, or specifically for pork or bacon, as there was between beef and dairy cattle, and there was the same divorce of pedigree and commercial breeders as with sheep. Many breeds were developed to fanciers' tastes, or for local meat requirements. However, it was increasingly realized that poor stock quality was one of the chief obstacles to the expansion of the industry, although farmers persisted in breeding a pig too short and too thick for bacon purposes because it stood up well to poor conditions and

1. Ibid. p.54.

2. Astor and Rowntree, British Agriculture, p.222.

3. Econ. Ser. No.37, Pigs and Pig Products, p.48.

4. Astor and Rowntree, British Agriculture, p.211.

bad management. Breeding was largely in the hands of smallholders, many of whom had not the resources or knowledge to produce better animals.<sup>1</sup> Breeders of commercial stock found that their pigs were not in great demand except at the two periods of the year when home-produced feed was abundant, and they were often forced to feed their own animals that were weaned during the rest of the year.

There were four main types of fatteners: farmers who used pigs to consume by-products of farmhouse milk manufacturing (whose numbers declined once the Milk Marketing Schemes commenced), or of orchards, of potato and of barley production, for which they wanted a temporary outlet; mixed farmers or market gardeners who used pigs as a side line or as scavengers; mixed farmers who ran a serious pig enterprise on commercial lines; and specialized pig farmers who produced little else, but still sometimes collected town waste for feed.<sup>2</sup> Most pigs were reared on mixed farms on purchased feed, and by farmers who entered and left the trade with the pig cycle.

Like the rest of British agriculture, pig production exhibited the basic production, grading, and marketing shortcomings which the Ministry's reports on pigs, pork and bacon<sup>3</sup> had attempted to confront. The Pig Industry Council complained of a superfluity of breeds, insufficient attention to specialized economic efficiency, the lack of pig recording and litter testing,<sup>4</sup> inadequate technique in feeding and management, excessive losses from disease, irregularity of production, lack of defined carcass grades, circuitous routes from markets to unevenly geographically

1. Boars were also often used for service too early. In 1937 only 1 000 of 40 000 boars were licensed under the Livestock Improvement Scheme. Astor and Rowntree, British Agriculture, p.212.

2. Astor and Rowntree, British Agriculture, pp.212-3.

3. Econ. Ser. No.12, Report on the Marketing of Pigs in England and Wales, 1926; Econ. Ser.No.17, Report on the Pork and Bacon Trade in England and Wales, 1928.

4. Astor and Rowntree, British Agriculture, p.213.

distributed factories, uneconomic factory methods and types of cure, lack of national grade standards, the absence of proper payment for quality, and the misrepresentation of imported supplies.<sup>1</sup>

The profitability of pig production was dependent upon the number of pigs marketed per sow per annum, and the cost of feeding and management in relation to the price fluctuations of the pig cycle.<sup>2</sup> Costs did not vary markedly across the country owing to the dependence upon imported feed, except where there were offals or scavenging feeds, e.g. tail-corn in East Anglia, fruit in Kent, or skimmed milk in Lancashire, Cheshire, and Cornwall. Denmark and Ireland were able to keep their costs down by utilizing the by-products of their dairy industry in a way that British producers with a milk orientated dairy industry could not do. Feed costs averaged 70-85% of total domestic production costs, and labour charges were 5-15%. Feed charges were lower and labour costs higher the younger the animal, and for weaning and pork production than for fattening and ham.<sup>3</sup>

Profits on pork and bacon production moved together as prices fluctuated through the pig cycle. The general trend of these marked annual fluctuations would appear to have been fairly level across the period 1923-39, this being supported by a similar trend in pig numbers until the influence of the Pigs and Bacon Marketing Schemes became apparent in 1933/4.<sup>4</sup> Receipts and incomes slumped disastrously in 1927/8 whilst feed prices were

1. Pig Industry Council, Marketing Leaflet No.16, Second Interim Report of the Pig Industry Council.

2. The number of pigs marketed per sow per annum was ten in England, and thirteen in Denmark. Astor and Rowntree, British Agriculture, p.213.

3. Wye College Farm Economics Reports No's. 1X & XX111, Pig Keeping Costs; University of Cambridge Dept. of Agriculture Farm Economics Branch Report No.25, Economic Study of Pig Production; MAF 38/426, Notes on Pig Costings; MAF 38/75, Pig Costs and Food Recording Memoranda.

4. Graph F.IV. shows fluctuations in incomes from pork and bacon production, and the total numbers of pigs in Great Britain.

high,<sup>1</sup> and this situation was repeated in 1931/2 as a result of the domestic and international cycle. The extremely high level of bacon imports was significant, in adding to the cyclical problems in 1931 and 1932.<sup>2</sup> Thus pig producers were interested in the opportunities for reorganization offered by the Agricultural Marketing Act. Although they acknowledged that the domestic industry might benefit from reorganization, they were aware that this could not be achieved without some limitation of imported supplies for which the 1931 Act did not provide.<sup>3</sup>

#### Reorganization Commission for Pigs and Pig Products

The Reorganization Commission for Pigs and Pig Products was appointed in April 1932 when agricultural incomes were generally depressed and pig producers were suffering from the general depression, a downturn in the cycle of incomes from pig production, and a high level of bacon imports. The Commission's Report, having noted the basic problems of the industry, proposed various recommendations for reconstruction. Essentially, it recognized that the bacon industry suffered from the existence of a dual market, and that as the Pig Industry Council had pointed out the opportunity for profitable expansion in the pork industry was small but that for bacon, especially at the expense of foreign supplies, was considerable. An organized system of contracts was proposed in order to achieve this expansion and to support the factories, so that feeders might supply curers with regular seasonal deliveries, and that total supplies might rise at a planned maximum annual rate of expansion. This was intended to build up the bacon industry in line with consumer demand for bacon, and the pork market would then become the surplus market. The regulation of imports would ensure that total supplies would be controlled, and the pig production cycle would be eliminated, at least in the bacon market, by

1. Table PB.I.

2. Table PB.II.

3. Econ. Ser. No.37, Pigs and Pig Products, pp.6, 10-11, 18-34.

relating bacon pig prices to feed costs.<sup>1</sup>

There were, however, a number of fatal weaknesses embodied in these proposals. Bacon prices were governed more by the level of production than feed costs or the price of imports, and the pork market could not realistically be separated. British quality and efficiency did not rise sufficiently to compete with imports. The manner in which British farmers were paid for their pigs needed constant recalculation, and eventually required a direct subsidy as pig producers' incomes moved downwards from 1933/4 to 1937/8.<sup>2</sup>

The 1931 Agricultural Marketing Act did not provide for the planned control of domestic supplies in the manner envisaged by the Pigs Reorganization Commission, and did not allow in any way for the regulation of imports. However, the essential feature of the home expansionist proposals was the domestic quota, which was equal to the bacon equivalent of the total number of pigs contracted from registered producers to the factories.<sup>3</sup> In order to protect regular bacon pig producers against low prices from irregular supplies caused by "in and out" producers, contracts were to be for constant annual supplies from individual producers with only a slight seasonal variation. This stability was essential for the factories for it could have a significant effect upon reducing costs, and would help to increase sales by maintaining a regular price and supply to customers. Farmers' contracts were to be granted on a "first come first served" basis with the remainder entering a pool. It was intended to raise gradually the level of the domestic quota by allowing the contract system to regulate production at a rate that could be maintained and not to let it fall with the pig cycle. Any surplus output might be exportable under licence.

1. Econ. Ser.No.37, Pigs and Pig Products, pp.63-70.

2. Graph. F.IV.

3. Econ. Ser. No.37, Pigs and Pig Products, pp.22-24.

Import quotas were proposed to accompany domestic regulation and to protect the market from the effect of heavy and unregulated supplies. Bacon was seldom consumed on the continent, and the curing industries of Scandinavia, the Baltic, and the Netherlands had been developed largely to meet British requirements and had no other important markets. A tariff would not therefore reduce imports, but would compel exporters to ship to Britain in the hope of balancing periodic high incomes and losses resulting from the interaction of the duty and the cycle of pig prices. It was also considered that whilst a fixed or sliding scale duty might afford producers a cash benefit, it could not assist the ordered expansion of the domestic industry.<sup>1</sup> Under a quota the whole market might be regulated, preventing domestic prices from being so much at the mercy of European supplies and prices, and providing a stable background to expansion. Consumers might then be assured of an adequate and regular supply of all varieties of bacon.

It was proposed that initially the government should impose national import quotas, perhaps later replacing them with a global quota. Foreign suppliers would then gradually be granted a diminishing volume of consignments. National quotas<sup>2</sup> were favoured, however, for although by encouraging competition the global system might secure the cheapest supplies and most efficient shipping, the tendency for a rush of imports to occur at the beginning of each quota period would confuse the market and cause uncertainty about the maintenance of specific types of supply. The chief objection to national quotas was that they might give shippers an opportunity to exploit the market, but the Reorganization Commission believed that the security offered them was too valuable an asset to be abused, and the known interchangeability of public demand from one food or meat to another was an additional safeguard. Thus twelve-month national

1. Ibid. p.19.

2. These were issued through foreign governments to shippers, and bacon could only be admitted to the UK by registered importers.

quotas were proposed for foreign (but not Dominion) suppliers, divided almost equally into fortnightly periods after allowing for seasonal demand, and subject to annual review. Curers might sell bacon from imported live pigs (from the Irish Free State) or frozen carcasses (from Australasia) if they held quota certificates issued by the country of origin.<sup>1</sup>

The domestic contract period was to be made the same as the import quota term. It was considered that the average total annual supply during 1925-30 of 10.67m.cwt. of bacon was the required demand from the population, 1.75m. cwt. being home produced (of which 45 000 cwt. was exported), and it was recommended that these figures be maintained initially, and used as a base for domestic expansion.<sup>2</sup>

Because contracts for an unknown number of pigs were to be made, for regular delivery, in specific months, and for a year in advance (i.e. for pigs not yet born), the basic price attached to contracts was to vary with a formula based upon the price of a standard ration of feed. The control of total supplies would then allow a reasonable profit to curers. It was not intended that the formula would provide a profit for pig producers for this was dependent upon the bacon market where it was hoped that the regulation of total supply would allow curers to pay prices above the formula price. Average annual pig prices would be negotiated between the farmers' Pigs Marketing Board and the curers' Bacon Marketing Board. Thus farmers would not know in advance what monthly prices would be, and prices would not be adjusted to provide profits. The extent and existence of profits was to depend upon the bacon market.<sup>3</sup> Overheads of 35s. per pig were assumed,<sup>4</sup> and a gain of 1 lb. liveweight for every 4.2lbs. of feed<sup>5</sup>. This

1. Econ. Ser. No. 37, Pigs and Pig Products, pp.18-22.

2. Ibid. pp.30-1.

3. Ibid. pp.34-5. The basic minimum prices were for standard carcasses, varying with quality and weight ranges in which uniform prices per score were given with the highest addition for profits over the ranges thought most suitable for the Wiltshire and Midland Trades.

4. I.e. weaners' feed 15s., weaners' overheads 10s., and overheads from weaning to slaughter 10s., Ibid. p.36.

5. The Pig Industry Council had recommended 1:4 as an attainable ratio, Ibid..

allowance gave a higher price per score to lower weight pigs in order to encourage the lightweight side of the best Wiltshire trade which was in general demand, thus increasing the high quality market and gaining a quicker turnover. Fluctuations in feeding prices and other costs would be borne by curers and wholesalers, or by consumers through higher prices.

The contract system was to be registered through the Pigs Marketing Board. It would not be given responsibility for obtaining the efficient geographical distribution of pigs in relation to curers' output for efficiency in this respect was considered too difficult to achieve.<sup>1</sup> Instead the continuation of personal relationships between curers and farmers was to be encouraged despite some overlapping of supply routes, curers paying transport costs so that distant efficient factories might compete with small local firms. The Pigs Board would operate a reserve pool to replace defaulting suppliers (against whom there were penalties if production was 5% per annum or 10% per month outside the contract limits), any excess being sold for pork. The Board would also contract with very small producers, or breeders who wanted long contracts for several years, and who might otherwise experience marketing difficulties.

Further to the quota and contract proposals were a number of general measures intended to stimulate efficiency. A Pig Industry Development Board, operating through the Pigs Marketing Board, was to prescribe carcass grades and quality price differentials, publicize pig recording and litter testing, eradicate scrub boars, and recommend approved breeds. A central research station disseminating feeding and management information was to be established, and encouragement was to be given to producers to feed as well as to breed their pigs, and thereby prevent large weight losses and the spread of disease incurred by excessive speculative sales in the store market.<sup>2</sup>

1. Econ. Ser. NO.37, Pigs, p.39.

2. Ibid. pp.48-51.



Proposals for combatting waste and inefficiency in the curing industry were centred upon ending supply irregularity from competition with the pork pig market, which together with the concentration of factories in the west country made costs high, upset the market, and left factories operating at half capacity. Thus, with the object of spreading factories geographically, the Development Board had to sanction the building of all new plants. British units were small, processing 350-400 carcasses weekly in England and Wales, and 40-50 in Scotland, compared with 2 000 in Denmark.<sup>1</sup> The cheaper tank cure process was to be encouraged instead of the dry cure, and bacon types more in line with public demand were to be produced and supported by advertising in order to break down preferences for foreign produce. The prices curers could pay depended upon bacon import prices, and when prices had been low relative to pork, curers had gone short of pigs. The fact that much higher prices had not been offered for winter production suggested that there was a year-round insufficiency of supply. Factory reform and planned marketing through the contract system were aimed at meeting these problems.<sup>2</sup>

The whole structure for the administration of these proposals was based upon a separation of indirectly - representative ministerially-connected judicial bodies, and the producer-representative judicial bodies. The proposed Pig Industry Development Board was the key to the system, administering the domestic quota on advice from a Quota Advisory Committee which would consult with importers and distributors through the Bacon Imports Advisory Committee. The Development Board would represent, consult with, and co-ordinate, the activities of the farmers' Pigs Marketing Boards and the curers' Bacon Marketing Boards of Great Britain and Northern Ireland, whose responsibilities were the regulation of contract terms and prices, and general efficiency services. The Reorganization Commission was to continue to survey the situation leaving the Development Board to execute

1. Ibid. p.57.

2. Ibid. pp.54-60.

any amendments.

It was thus hoped that the pig industry might undergo a planned expansion, enabling it to win back the domestic market which had been lost to foreign competition. The stability offered by the schemes and general production and marketing reforms would allow a better home product to compete with imports. Amongst the Commissioners, only Sir William Haldane was astute enough to state any reservations, believing correctly that an accompanying regulation of the pork market was essential and that the Report had been prepared too quickly to consider this aspect properly.<sup>1</sup> The Report had noted only that since bacon pig prices would be pegged to feed prices, which usually followed an inverse cycle to pig prices, pork prices would be high when bacon prices were low and vice-versa. However, it was hoped that the long contracts would prevent producers from switching production and that pork, not bacon, would become the surplus market.<sup>2</sup> At best, the Report casually concluded that if this consideration did not avail, then all pig sales might need regulation, which could only be done when greater experience had been obtained.<sup>3</sup>

#### The Pigs and Bacon Marketing Schemes in Operation

The reorganization proposed by the publication of the Lane-Fox Committee Report<sup>4</sup> in October involved a significant departure from the 1931 Agricultural Marketing Act, proposing a wider and more comprehensive scheme than had originally been intended. Gilmour had acknowledged in February 1932 that import controls would be required,<sup>5</sup> and amendments providing for these, together with provisions for the direct regulation of

1. Ibid. Reservation by Sir William Haldane, pp.73-4.

2. This seems quite unreasonable since pork was produced in a shorter time period than bacon.

3. Econ. Ser. No.37, Pigs, pp.45-6.

4. Report of the Reorganization Commission for Pigs and Pig Products; MAF 34/3, CP-353(32), The Bacon Industry, Oct. 1932.

5. Hansard, Vol.261. 11 Feb.1932, Cols. 1029-1034.

domestic farm output and production, and for agricultural development schemes, were incorporated in the 1933 Agricultural Marketing Act. These were largely a result of the requirements involved for the successful planning of the pig industry (but also as a result of proposals for the milk industry). The passage of the 1933 Act in July permitted the operation of the proposed pig schemes in November 1933 once the Lane-Fox Report was published. The Pigs Marketing Scheme was presented and approved by the NFU and Scottish NFU, and the Bacon Marketing Scheme by the Bacon Section of the Food Manufacturers Federation Inc..<sup>1</sup>

Although Gilmour had announced that import controls would be undertaken only upon the preparation of a marketing scheme, it had already been found necessary to introduce import controls in respect of pig products as pig prices slumped under the influence of the world agricultural depression and the downturn due to the pig cycle. The question of protection in respect of pork and bacon was discussed at Ottawa and Canada was allowed consignments of 2.5m. cwt. of bacon, much more than she had previously sent. The other Dominions had little interest in bacon. Faced with the manifest distress of pig producers, the government negotiated voluntary trade agreements with the major foreign bacon suppliers in November 1932, intended to reduce imports by 15%, and a year later a further 16% was imposed under the powers made available by the 1933 Marketing Act.<sup>2</sup> For 1934 and subsequent years import quotas were allotted to foreign countries after domestic and Empire supplies had been estimated. This was intended to stabilize total supplies at the required level.<sup>3</sup> Pork was quantitatively regulated only from the end of 1934, for although at that time domestic pork production was twice that of bacon, pork imports were relatively small.

1. MAF 34/226, Bacon and Pigs Marketing Scheme (Approval) Order, 1933.

2. Astor and Rowntree, British Agriculture, p.219; MAF 34/228, Bacon (Import Regulations), 1933-4.

3. Bacon (Import Regulation) Orders, 1933 and 1934; Bacon (Import Regulations) Amendment Order, 1935, etc; MAF 34/228, Bacon (Import Regulations), 1933-4.

Despite the confidence expressed by the Reorganization Commission the schemes immediately encountered problems. In the first contract period of November 1933 to February 1934 the simplest and least workable system of payments was operated, granting farmers 12s. a score deadweight when the standard feed ration was 7s.6d. a cwt. and with a sliding scale of prices dependent upon feed cost changes.<sup>1</sup> However, bacon prices were so low in the first two months that curers lost £160 000, which was subsequently recouped from pig producers after a government loan was made to curers.<sup>2</sup> Fluctuations in bacon prices were greater in practice than curers could absorb or pass on to consumers, and the domestic bacon price level did not rise with import restriction because consumers were prepared to pay more for higher quality imports rather than change to inferior but cheaper British varieties. A four-weight class system of grading was introduced and had some effect on quality. This had five quality grades in each of the top three classes, assessed deadweight by independent graders at the factories. Designations changed owing to constant re-classification over the next three years and farmers were not satisfied with the variation in testing standards.<sup>3</sup>

The second contract period from March to December 1934 utilized a more complex bacon pig price formula, related not only to feed costs, but to bacon and offals prices, and intended to divide the profits of the industry between farmers and curers. However, feed prices rose considerably during 1934, and this approach worked to the disadvantage of farmers.<sup>4</sup>

1. Score = 20lbs.. Every 3d. change in the feed price resulted in a 3d. change in pig prices.

2. Econ. Ser. No. 48, Report on the Working of the Agricultural Marketing Acts, 1947, p.26.

3. Astor and Rowntree, British Agriculture, p.220.

4. Ibid.; Tables PB.I and PB.II.

In the third and fourth contracts for 1935 and 1936 the scheme began to show signs of severe strain. The 1934 price formula was retained including a graded premium for more level delivery during the year, which reduced variations in monthly supplies from 151:53 in 1934 to 119:82 in 1936.<sup>1</sup> However, the contracts were again not fulfilled, and the Pigs Marketing Board was forced to allow the factories to buy in the open market as the number of contract pigs was not sufficient to meet curers' requirements, and as there were no supplementary contracts. Heavy pork pigs were bought as suitable for hams (which were as important as bacon in many curing factories), at prices above the contract price since there was a shortage and greater supplies were required to reduce factory overheads. Farmers soon realized that it was more profitable to keep outside the contract system, ostensibly as a pork farmer, and to rely on this open 'excess' market. This severely<sup>e</sup> strained the principle of the marketing schemes in the same way as non-members had defeated agricultural co-operatives for milk and hops in the late 1920s. Curers desperate for supplies were even financing producers by buying pigs and feed in an attempt to increase throughput,<sup>2</sup> and the renewed conflict of the pork and bacon pigs markets did little to help improve the quality and competitiveness of domestic bacon. Of 140 000 registered producers, only 20 000 offered pigs on contract. In 1936 2.039m. pigs were offered of which 1.802m. were delivered while 382 000 were purchased on the open market; 325 000 being slaughtered by self-suppliers and the remainder going to exempted curers.<sup>3</sup> Pig prices and incomes were falling under the Schemes, and a 2½% fall in the number of breeding sows caused a subsequent fall in the pig population resulting in a smaller contract being offered in 1937.<sup>4</sup>

1. Econ. Ser. No. 48, Agricultural Marketing Acts, pp.26-7. The premium was raised from a producer levy and was conditional upon the size of the farmers' contract. A bonus paid on winter-delivered pigs also redressed the balance of seasonal prices.

2. The throughput is the number of carcasses manufactured.

3. Econ. Ser. No.48. Agricultural Marketing Acts, p.26.

4. Agricultural Statistics; Table PB.III.

The crisis came during contract negotiations for 1937 in the autumn of 1936, when feed prices were rising. The Bacon Marketing Board had agreed to the purchase of pigs on a price formula provided that a minimum number of pigs were forthcoming to maintain factory throughput and to minimize costs, but this had not happened in 1934-6. The Pigs and Bacon Boards could not agree on terms for the 1937 contract, and the matter was referred to an independent person appointed by the Minister. A form of contract was prescribed with a clause that if the total number of animals offered was below 2.2m. then the Bacon Board might decline to buy at the proposed prices, because the factories could not operate profitably at this level of throughput and price. Consequently, when only 1.854m. pigs were offered for the 1937 contract the whole scheme fell into abeyance.<sup>1</sup> It had not proved possible to separate the pork and bacon markets, nor to allow producers and curers profits in the face of strong import competition, and these fundamental weaknesses in the schemes brought about their collapse.

Despite pricing problems domestic bacon quality had notably improved under the schemes and following the establishment of the Bacon Development Board, but it was still unable to compete with the Danish product. The Reorganization Commission had recommended a Bacon Development Scheme to reorganize the curing industry and it commenced operation in September 1935 as an experiment in organizing the production rather than the marketing of a secondary product.<sup>2</sup> It was granted, or adopted, responsibility for administering the home production quota, for arbitrating between the pigs marketing boards, and for the supervision of efficiency measures in pig and bacon production. It produced a standard schedule of carcass quality measurement, co-ordinated research, and attempted to improve efficiency in curing cost and quality, partly through the control of factory licences. Producers gained better knowledge of feed and rationing (partly due to manufacturers of proprietary feeds) but made little

1. Econ. Ser. No.48, Agricultural Marketing Acts, p.27.

2. A draft development scheme was submitted in April 1934 after protracted negotiations between the two Boards, but it was withdrawn and re-submitted in amended form in May 1935. MAF 34/232, The Bacon Development Scheme - Notes for the Minister, pp.1-9; MAF34/232, Bacon, Development Scheme (Approval) Order, 1935; MAF 32/244, Bacon Development Scheme, 1934.

use of the Livestock Improvement Schemes. The Board determined that from January 1936 all curing premises should be licensed,<sup>1</sup> should conform to certain hygiene standards, and should not be built where sufficient supplies were not readily available. Having only a negative influence in this latter respect geographical siting was not conspicuously improved and farmers continued to complain of transport problems and weight loss.<sup>2</sup> The Board's rationalization powers could not prevent excess capacity rising faster than pig supply, and this helped to bring about the collapse of the schemes.<sup>3</sup> Improving quality was more important initially than expanding output in order to capture the domestic bacon market.

#### The Reorganization of the Pigs and Bacon Marketing Scheme in 1938

In consequence of the failure of producers to contract into the Scheme for 1937 an examination of the whole structure of bacon pig pricing policy was ordered by the Agricultural Policy Committee.<sup>4</sup> This followed a statement from Morrison in July to the effect that the difficulties of the bacon industry were due to the increased cost of pig feeding and the high cost of bacon manufacture in this country.<sup>5</sup> By this time proposals for aid from levy-subsidies had been abandoned, and the governments' approach was an optimistic belief that if the industry were founded upon a small number of efficient factories provided with regular adequate supplies of good quality pigs, then sufficient economies in curing would be secured to maintain the industry during periods of high feed costs.<sup>6</sup> The government then proposed

1. Unless they were exempted by having an output of under 40cwt. in any eight-week period.

2. Astor and Rowntree, British Agriculture, pp.223-5.

3. Econ. Ser. No.48, Agricultural Marketing Acts, p.27.

4. MAF 34/261, Proposals for Exchequer Assistance, 19 Jan.1938,p.2.

5. Hansard, Vol. 326, 29 July 1937, Cols. 3317-8.

6. It was hoped that gains in efficiency might be made in the same manner as those achieved by amalgamation under the Sugar Industry (Reorganization) Act, 1936, Hansard, Vol.334, 11 April 1938, Col. 783.

that some assistance be given to enable the contract system to be re-established if this reorganization promised cost reduction and profits.<sup>1</sup> Extensive consultations between the agricultural departments, the boards, the industry, and the Treasury resulted in the Bacon Industry Act of July 1938, there again having been no contract in 1938.<sup>2</sup> It provided for improved organization, for payments to the industry linked to import prices and factory efficiency, and for continued import regulation. This measure, together with a fall in pig feed prices allowed the contract to be re-established in 1939.

The Bacon Industry Act aimed at amending the marketing scheme and bringing it more into line with the commodity commissions.<sup>3</sup> A reconstituted and more independent Bacon Development Board with wider powers of direction and supervision over the marketing boards was to administer the Act with advice from the Bacon Curers' Advisory Committee, and would make minor policy decisions. A factory rationalization scheme, including powers to close inefficient factories, would be prepared by the Bacon Development Board or Bacon Marketing Board for submission to the Ministry. The Bacon Marketing Board's powers were re-defined, allowing it to determine the description and quality of bacon sales from registered producers and curers, to deal in pigs, to establish slaughterhouses, and to produce bacon, while the Bacon Development Board might acquire factories, prohibit production in unlicensed premises, encourage research and education, levy funds, and borrow and loan

1. MAF 34/261, Proposals for Exchequer Assistance, 19 Jan. 1938, p.2.

2. MAF 34/261, Bacon Industry Bill, Discussions with the Treasury on Exchequer Assistance, 1938; Hansard, Vol.334, 11 April 1938, Col.782.

3. Econ. Ser. No. 48, Agricultural Marketing Acts, p.44; MAF 34/263, Bacon Industry (Bacon Marketing Scheme Amendment) Order, 1938; MAF 34/266. Bacon Industry (Pigs Marketing Scheme Amendment) Orders, 1938-9.



money with the Boards.<sup>1</sup>

The Act recognized that bacon and bacon pig prices had to be related to production costs, and that feed prices had risen by one-third since 1936 whilst bacon prices were about the same level.<sup>2</sup> Without the adjustment of the pig population provided by the pig cycle it was believed that the maintenance of supplies at the Reorganization Commissions' recommended level first allowed prices to rise from the abnormally low 1930-32 position, and then caused a fall in price. But for exporting countries fulfilling their quotas in 1937 bacon supplies would have been lower and prices higher. Farmers had realized that the risks involved with long-term contracts were increased while prices were controlled but feed costs were not. Producers had to be assured that they could fulfill their obligations without incurring unforeseen losses from factors beyond their control, for unless losses from fluctuating feed costs were to be underwritten there was little hope of the contract system being reintroduced. The Reorganization Commission had seen the possibility of these problems but not their extent, for the industry had been slow to reduce costs.<sup>3</sup>

Consequently a temporary Exchequer subsidy was granted for the next three contract years. It was hoped that the curers' five-year factory rationalization plan would show results from the second year, and that thereafter efficiency would be improved. As predicted, a lower number of pigs were contracted in 1939 than in previous years, and it would not have been possible to secure and retain the adherence of curers to the Scheme unless their costs were supported until throughput was raised to the 1936

1. Econ. Ser. No.48, Agricultural Marketing Acts, p.43.

2. MAF 34/261, Proposals for Exchequer Assistance, pp.4-5; Table PB.I.

3. Ibid. pp.5-6.

level.<sup>1</sup> The monthly deadweight price per score for a standard pig, delivered free by rail to the nearest depot was fixed so that the annual average prices to curers would be 12s.6d., 12s.5d., and 12s.3d. respectively. There would then be added or subtracted  $\frac{103}{105}$ th. of the amount by which the standard feed ration price for that month differed from 8s.6d. a cwt., any addition being paid to the curer by the Exchequer. Further to this, curers were guaranteed by the Exchequer, prices of 94s.9d., 93s.9d., and 91s.9d. a cwt. on all bacon produced in the next three contract years respectively. Any excess on returns above this were to be repaid.<sup>2</sup>

The Act continued to attempt to maintain the separation of the pork and bacon pig market, for sales of pigs under 16 weeks of age, or for the pork market, were not controlled. The Act generally attempted to maintain the initial principles of the schemes, with the exception of giving a commanding position to the Bacon Development Board, especially in respect of factory rationalization.<sup>3</sup>

Under this legislation a low contract of 1.479m. pigs was offered for 1939, but deliveries were better maintained until the war suspended the operations of the schemes without giving enough time to appraise the new structure. However, one final adjustment was required. The 1939 Bacon Industry (Amendment) Act, substituted a standard bacon price, backdated to the 1938 Act, to which might be added or subtracted 1d. per cwt. for each variation of 1s. in lard prices from 65s., 63s., and 59s., per cwt. in the three following years respectively. As with the sugar beet industry, it was hoped that a subsidy to the factories would enable the industry to operate profitably and to pay to farmers prices that would allow them a reasonable return.

It was also hoped that the subsidies would allow a relaxation of import

1. Ibid. pp.6-7.

2. Bacon Industry Act, 1938.

3. In addition, fair wages and conditions of employment were to be observed by producers and curers as for contracts with government departments. Disputes were to be referred to the Minister and Industrial Courts, decisions becoming implied terms of contract. Pig feeding and management had become an increasingly skilled occupation, but not all farmers had been willing to recognize this in wage payments, Bacon Industry Act, 1938.

quotas. Import restriction had reduced seasonal and cyclical price fluctuations, but had also altered the import price situation with respect to domestic bacon. Danish bacon prices had risen substantially, even above those of best British Wiltshire bacon.<sup>1</sup> In 1934, 7.6m. cwt. of Danish bacon cost £30m., compared with 9.1m. cwt. at £29.9m. in 1933 before restriction.<sup>2</sup> Consequently the Danish and foreign industries preferred that this restriction be maintained, but it had been difficult to justify because it raised prices to the benefit of overseas producers at the expense of home consumers. While restriction had become a permanent principle of agricultural policy it did not help the domestic pig industry. As with beef, import restriction did not raise home prices, for the imported and domestic commodities were different products. Danish bacon was preferred for its established high reputation and consistent quality and consumers were willing to pay higher prices for imported varieties rather than switch to inferior British types.<sup>3</sup> It was thus intended to relax the import quotas so that domestic bacon prices would fall below the levels at which they would be eligible for subsidies. The estimated subsidy would then be about £1m., payable on 2.1m., 2.4m., and 2.5m. pigs in the first three years respectively,<sup>4</sup> and consumers would then gain cheaper bacon. Curers would not lose money, although whether they would have obtained sufficient bacon pigs in the long run was still dependent upon the fluctuations and profitability of the pork and bacon markets.

It was unlikely, given the nature of British pig production in the 1930s, that the domestic bacon industry could compete with Danish imports. Danish agriculture was more specialized, and its pig industry, by utilizing the by-products of the large butter producers was able to reduce costs significantly in a way that the British pig industry was unable to do.

1. Table PB.II.

2. Astor and Rowntree, British Agriculture, p.219.

3. Ibid. pp.219-20.

4. Ibid. p.221.

Factory rationalization was a step in the right direction but problems caused by the dual markets for pigs would not have helped raise the quality of the animals. The advantages of controlling both pig markets as demonstrated by the Northern Ireland Pigs and Bacon Marketing Scheme, in close co-operation with the Pig Industry Council and the government, were neither considered nor adopted in Great Britain. By 1939 bacon pig production accounted for slightly more than half the value of UK off-farm pig sales, yet it still contained elements of surplus pork production.<sup>1</sup>

#### Pigs and Bacon Policy in the 1930s

The Pigs and Bacon Marketing Schemes were introduced in response to low pig prices resulting from the coincidence of domestic overproduction, a downturn in the cycle of pig prices, a high level of imports, and the world slump. The Reorganization Commission proposed a structure that went far beyond the confines of the 1931 Act, including import controls and secondary product and development schemes. It was also a departure from previous policy in calling for an expansion of domestic bacon production, which was intended to win back the share of the home market lost to foreign competition. Despite problems, the government adhered to this expansionist policy throughout the 1930s. It was intended that this subsidiary branch of domestic agriculture would be enlarged into a major livestock sector, using some imported feed supplies, and requiring the restriction of better and competitive foreign supplies. However, the unsuccessful attempt to separate the pork and bacon pig markets, the failure of foreign import restriction to affect domestic bacon prices, and the consequent decline in home prices and producers' incomes as the pig population and feed prices rose, brought about the collapse of the schemes in 1937 and 1938.<sup>2</sup> The 1935 price formula offered prices that were too low and it became more profitable to remain outside the schemes. Too few producers offered pigs

1. Table F.IV.

2. Graph. F.IV.

on contract for curers to feel confident of securing an efficient level of throughput.

The government's reaction was to restructure the schemes on the lines of the more powerful and less representative commodity commissions, but without changing the basic operating principles. Although import prices were lowered, it was still hoped that a separation of the pork and bacon pig markets might be achieved. Only the bacon pig market was controlled because it was hoped that better prices would be offered under the Act than pork or bacon pigs might obtain in the respective open and surplus markets. It was thus necessary to provide curers with subsidies, diminishing over three years, whereafter it was hoped that a successful factory rationalization scheme might allow the industry to operate economically without Exchequer payments. There might have been an argument for aiding the industry on economic and political grounds in the early 1930s, but not for expanding a sector until it became in danger of requiring permanent subsidies. Technical progress was more important than forced expansion; only with the former attained might the latter have been attempted. Lessons provided by the sugar beet industry, the earlier experience of pigs marketing, and with measures for improving agricultural efficiency generally, had not been learned in respect of the pigs and bacon marketing structure by 1938. Although pigs were regarded as a specialized area of production, for which it was not essential to provide insurance measures in order to maintain the cultivation and fertility of the land,<sup>1</sup> the government had become politically committed to supporting this sector of agriculture.

1. CAB 27/362, APC(37)17, Jan. 1939.

Table PB.1

Pig and Pig Feed Prices in England and Wales, and UK  
Supplies of Pigmeat, 1911-13 to 1938/9.

YEAR	ENGLAND AND WALES. 1						U.K. SUPPLIES OF PIGMEAT. 2									
	AVERAGE PRICE OF 1 <sup>ST</sup> AND 2 <sup>ND</sup> QUALITY PIGS PER SCORE (20 lbs.)					PIG FEED PRICE PER CWT.	BACON		HAMS		PORK					
	FAT BACON PIGS DEAD -WEIGHT.		FAT PORK PIGS DEAD -WEIGHT.		STORE PIGS 8-12 WEEK WEANERS.		HOME PRODUCT -TON.	IMPORTS.	HOME PRODUCT -TON.	IMPORTS.	HOME PRODUCT -TON.	IMPORTS.				
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.				
1911-13	10	5	10	11	18	5	7	0	1911-13	2624.3	4787.9		765.7	4830.3	650.0	
1914/15	12	1	12	10	-		9	10	1914	2345.0	5048.1	INCLUDED WITH BACON.	437.9	4382.0	1122.3	
1915/16	15	4	16	5	-		12	11	1915	2600.0	6523.4		758.6	4179.0	351.2	
1916/17	20	8	21	8	-		-	-	1916	2720.0	7435.9		777.1	3227.0	335.0	
1917/18	24	11	26	2	-		-	-	1917	2160.0	6567.6		572.4	2055.0	184.2	
1918/19	26	8	26	8	47	5	-	-	1918	1400.0	10473.6		869.4	1283.0	111.3	
1919/20	31	4	32	1	59	3	20	3	1919	1764.0	8281.2		461.8	2114.0	160.2	
1920/1	29	1	31	5	51	4	14	11	1920	496.3	5611.6		154.6	324.4	3910.0	525.5
1921/2	18	9	21	2	32	10	10	3	1921	620.4	5677.6		250.7	1127.3	4413.0	631.3
1922/3	18	0	20	4	41	5	9	4	1922	1064.8	5932.2		285.8	1433.2	4508.0	757.6
1923/4	14	2	15	11	25	5	9	11	1923	1003.9	7743.2		325.9	1747.1	4771.0	1089.1
1924/5	16	1	17	1	23	10	11	0	1924	1120.6	7873.4	406.9	1636.0	5258.0	1046.6	
1925/6	18	10	20	2	38	5	8	11	1925	1220.8	7486.2	445.3	1516.7	4718.0	1274.6	
1926/7	16	10	18	10	38	6	9	5	1926	1072.7	7471.3	410.8	1195.2	3854.0	941.7	
1927/8	14	1	15	6	22	8	10	6	1927	1266.0	8481.5	462.3	888.7	3992.0	551.6	
1928/9	15	8	17	1	27	6	9	8	1928	1660.1	8852.9	553.9	942.0	4199.0	676.8	
1929/30	16	10	18	11	38	10	7	5	1929	1585.9	8278.1	534.2	1028.8	3625.0	655.4	
1930/1	12	10	15	4	32	1	5	10	1930	1578.8	9191.2	539.9	1003.0	3232.0	726.1	
1931/2	9	8	11	4	18	5	6	8	1931	1756.3	11133.7	551.9	831.1	3718.0	815.4	
1932/3	10	2	11	4	19	1	6	1	1932	2030.2	11390.8	522.7	801.3	4106.0	637.4	
1933/4	11	9	13	3	25	6	5	9	1933	2173.6	9084.4	468.2	868.8	4182.0	1006.2	
1934/5	11	11	12	6	22	11	6	5	1934	2352.7	7598.3	450.7	728.3	4354.0	1287.3	
1935/6	11	1	12	0	21	8	6	2	1935	3184.1	6925.9	544.2	676.8	4254.0	1082.2	
1936/7	12	4	13	3	23	11	8	1	1936	3838.3	6569.7	569.3	671.7	3805.0	1155.4	
1937/8	12	11	14	5	26	10	8	3	1937	3574.9	6926.0	655.9	674.1	4001.0	1121.9	
1938/9	12	9	14	3	26	9	6	8	1938	3776.2	6867.9	405.7	664.3	3598.0	1228.6	
									1939	-	7188.4	-	707.1	-	1025.2	

\* Barley meal 32.5%, maize meal 32.5%, middlings 25%, bran 10%.

1. Agricultural Statistics.

2. Annual Statements of the Board of Trade; Stone, The Measurement of Consumer Expenditure and Behaviour, p. 51; Prest, Consumers' Expenditure in the UK, pp. 20-2.

Table PB. II

Wholesale Bacon Prices in England and Wales, and Bacon Production under the Marketing Schemes, 1911-13 to 1939.

YEAR	AVERAGE WHOLESALE PRICES OF BACON IN ENGLAND AND WALES. 1								BACON PRODUCTION UNDER THE MARKETING SCHEMES. 2			
	BRITISH WILTSHIRE.		SPANISH SIDES.		IRISH.		CANADIAN SIDES.		NO. OF PIGS CONTRACTED FOR.	NO. OF PIGS DELIV. -CURED.	BACON CURED FROM HOME CARRIAGES.	BACON CURED FROM IMPORTED CARRIAGES.
	GREEN.	DRIED OR SMOKE.	GREEN.	DRIED OR SMOKE.	GREEN.	DRIED OR SMOKE.	GREEN.	DRIED OR SMOKE.				
	S. d. PER CWT.	S. d. PER CWT.	S. d. PER CWT.	S. d. PER CWT.	S. d. PER CWT.	S. d. PER CWT.	S. d. PER CWT.	S. d. PER CWT.	000's.	000's.	000cwt.	000cwt.
1911-13	-	-	-	-	71 5	-	65 5	-	-	-	-	-
1914	-	-	-	-	-	-	-	-	-	-	-	-
1915	-	-	-	-	-	-	-	-	-	-	-	-
1916	-	-	-	-	-	-	-	-	-	-	-	-
1917	-	-	-	-	-	-	-	-	-	-	-	-
1918	-	-	-	-	187 6	-	180 9	-	-	-	-	-
1919	-	-	-	-	194 6	-	190 9	-	-	-	-	-
1920	-	-	-	-	249 3	-	202 0	-	-	-	-	-
1921	-	-	183 5	-	189 6	-	149 0	-	-	-	-	-
1922	-	-	144 9	-	152 6	-	123 6	-	-	-	-	-
1923	-	-	111 3	-	117 6	-	95 0	-	-	-	-	-
1924	127 0	-	105 0	-	110 3	-	91 3	-	-	-	-	-
1925	135 9	-	124 9	-	133 0	-	111 9	-	-	-	-	-
1926	144 0	-	125 0	-	133 9	-	112 3	-	-	-	-	-
1927	119 6	-	95 9	-	109 0	-	88 6	-	-	-	-	-
1928	116 9	125 0	97 3	107 9	103 6	112 9	90 9	97 9	-	-	-	-
1929	126 9	135 6	113 0	123 0	119 0	128 3	107 9	116 3	-	-	-	-
1930	122 0	130 9	94 6	104 3	109 6	119 6	97 0	111 9	-	-	-	-
1931	89 6	97 6	63 9	72 6	80 6	90 0	-	-	-	-	-	-
1932	85 0	85 9	59 3	63 9	76 3	87 0	-	-	-	-	-	-
1933	86 6	92 6	75 6	85 3	85 0	94 9	65 0	75 0	295	254	-	-
1934	93 0	100 3	91 6	101 0	93 3	103 6	82 9	93 0	1607	1437	1486	250
1935	89 0	97 0	91 0	100 9	89 9	100 9	79 9	90 6	1854	1781	2029	348
1936	93 0	101 0	96 9	105 6	93 9	102 3	85 6	94 0	2039	1802	2323	433
1937	98 3	106 3	98 0	106 6	96 6	105 0	83 9	97 3	1896	-	1945	508
1938	101 0	109 0	101 9	110 6	99 9	107 9	93 3	103 0	-	-	1943	573
1939	100 9	108 9	99 9	108 6	96 3	104 3	91 9	97 0	1479	851	1605	476

1. Agricultural Statistics.

2. Econ. Ser. No. 48, Report on the Working of the Agricultural Marketing Acts, 1947, p. 92.

CEREAL PRODUCTION AND POLICY; WHEAT, BARLEY, AND OATS.

Wheat, and to a lesser extent the other cereal crops, were still regarded by many agriculturalists as the most important constituents of British farming in the inter-war years, especially in the 1920s. Other commodities may have been more profitable and better adapted to domestic production, but because arable farming could be more productive of food, in particular in time of war, there was a strong body of opinion which promoted wheat as the mainstay of arable farming and of British agriculture. Concern was expressed because the arable acreage had been in decline since the influx of cheap grain, especially wheat, from North America and the southern hemisphere in the late nineteenth century. Domestic production had declined and Britain had become more dependent upon imported cereals which, as they occupied an increasing share of the market, further reduced average prices to levels which were unprofitable for many farmers. From 1866 to 1914 1.7m. acres were lost to corn growing. Arable farming became a major interest only in eastern England and certain parts of eastern Scotland, although cereal crops used for feed were grown on most farms.

The decline in cereal production was reversed during the First World War in order to fulfil the requirements of the food production campaign.<sup>1</sup> Following the reports of the Selborne Sub-Committee and of the Royal Commission on Agriculture, a policy was evolved during 1919-20 which was intended to prevent the further reduction in the arable acreage and loss of the rural population, such that the country might be less dependent upon overseas supplies of food, and that this might effect a saving in the import bill.<sup>2</sup> Hence the price guarantees of the Corn Production Act, 1917 were made permanent by the 1920 Agriculture Act.

1. See Chapter I, Whetham, E.H., 'The Agriculture Act and its Repeal', AHR, 1974; Departmental Committees on the Production of Food, Cmds. 8046, 8048, 8095, 1914-16; Reports of the Agricultural Policy Sub-Committee, Cmds. 8506, 1917, and 9079, 1918.

2. Royal Commission on Agriculture, Cmd.473, 1919; 'State Help for Agriculture', The Times, 22 Oct.1919; Corn Production Act, 1917; Agriculture Act, 1920; Corn Production Acts (Repeal) Act, 1921.



However, these guarantees were immediately withdrawn in 1921 following the severe price fall, which would have involved a heavy cost to the government and was unacceptable in the atmosphere of financial stringency following the Geddes Report.

Despite proposals from agriculturalists and the government cereal production remained unsupported in the 1920s. However, towards the end of the decade increasing concern was expressed over the fall in the arable acreage, and with the onset of world agricultural depression the government felt forced to respond. The policy that evolved was centred on the Wheat Act, which might be regarded as the most effective measure of agricultural support in the inter-war years. It achieved an expansion in the wheat acreage by maintaining growers' incomes at a favourable level without adversely affecting consumer's bread prices.

The final stage of cereals policy which was enacted during 1937-9 was concerned with reconciling preparations for a future war with the economic requirements of peacetime agriculture. It concentrated upon improving fertility and the productive capacity of the land, and to this end it allowed for a further increase in the wheat acreage and attempted to prevent the decline in the production of oats and barley. As malting barley prices slumped in 1938/9 the government was involved in drawing up plans for the reorganization of the production and marketing of barley, but they were little advanced by the outbreak of war in September 1939.

### Wheat

Wheat was adapted to a wide variety of soils and was grown in all arable districts. There were at least one or two acres of wheat on most farms but because it preferred a dry climate it was concentrated in the east and south-east. Suffolk, Essex, Norfolk, Cambridgeshire, and Lincolnshire contained about one-third of the wheat acreage, and with Yorkshire included about one-half.<sup>1</sup> British wheat production had been in decline since the late nineteenth century, apart from a slight rise after 1904, and a sharp increase from 1917 to 1922 under the influence of the

1. Agricultural Statistics.

Corn Production Act and Agriculture Act. During 1923-39 wheat represented 4-6% of the value of UK off-farm sales and covered 10% of the arable area, making it an important cash crop in English farming.<sup>1</sup> Wheat occupied a larger area than any other arable crop except oats.

Beginning with the influx of cheap prairie wheat from the 1870s, imports were permanently of greater importance in the British market than domestic wheat. During 1921-31 British wheat accounted for 22% of domestic and retained UK supplies and during 1932-9, following the Wheat Act and Ottawa duties, this figure was only raised to 24%.<sup>2</sup> Such a heavy reliance upon imported grain meant that world prices, which were dependent upon world production levels, came increasingly to influence domestic wheat prices. European wheat demand declined seriously in the inter-war years as the continent increased production behind tariffs, and this left Britain as the only important buyer in the world market. This introduced a large element of price instability into the domestic market.<sup>3</sup>

British and most imported wheats were largely complementary. Imported wheat was mostly 'hard' wheat, and was nearly all milled into bread flours (with some biscuit flour). British wheat was 'soft' wheat and was mixed with hard grains to make bread flours or used by itself for biscuit flours and feed. Of the domestic wheat marketed, one-third was used for seasoning in bread flours, and the remainder was utilized equally for blending and scaling flour, biscuit flour, and poultry or stock feed,

1. Wheat was 5% of the cultivated land, Mollett, J.A., 'The Wheat Act of 1932', AHR, 1960, p.21. Under 5% of British wheat was grown in Scotland, Table C.II.

2. Tables C.III and C.IV. In 1911-13 the USA supplied 21.5% of UK wheat imports, India 20.5%, Argentina 15.5%, Australia 11.5%, Russia 10.0% and the whole of the Empire 50.7%. By 1921-31 Argentina sent 24.2%, Canada 24%, USA 16.2%, Australia 14.5%, and all the Empire 39.8%. During 1932-9 following the Ottawa Agreements, Canada sent 38.8%, Australia 22.1%, Argentina 18.2%, and all the Empire 62.7%, Annual Statements of the Board of Trade.

3. Astor & Rowntree, British Agriculture, p.81.

where the soft grain was required or preferred.<sup>1</sup> British wheat was generally cleaner, sweeter, more palatable, freer from pests, and gave a higher class of flour than imported varieties.

The milling capacity of England and Wales was divided equally between seaport coast mills and inland mills.<sup>2</sup> Thus two-thirds of mills relied on imported wheats, and mixed an average of 5% English soft wheat, and milled 85% of the flour output of England and Wales.<sup>3</sup> All this flour was used for bread. The smaller inland mills either used all English flour for biscuits, or up to 55% home grain for blending and scaling flours for grocers, or up to 25% domestic wheat for bread flours for local bakers. Overall 40% of British wheat flour was used for the merest seasoning in bread types, 30% for blending and scaling flours, and 30% for biscuits and special manufactures.<sup>4</sup>

Like most seasonally produced agricultural commodities wheat suffered from a rush to market immediately following the harvest of July to October. During September to December 45-50% of wheat was sold, and a further 25% was sold before March.<sup>5</sup> This was due to farmers' need for cash for wages, to buy cattle for winter feeding, to buy extra straw for covering potato pits and for bedding cattle, and to avoid losses in storage. Wheat merchants also needed cash then and the grain was soon sold to millers. Small millers immediately passed on their flour at low prices resulting from the consequent high volume of sales at this time. The effects were worst in September and October, and reduced other flour prices then and weakened the grain market.<sup>6</sup> However, the demand for home wheat from bread flour millers

1. Econ. Ser. No.18, Report on the Marketing of Wheat, Oats and Barley in England and Wales, 1928, p.21. The strength of wheat was related to its ability to absorb and retain water in bread, and the stronger it was the larger and heavier would be the loaf produced from a given weight of flour. Naturally there was an incentive to produce larger loaves for which English soft wheat was not most suited, Astor and Rowntree, British Agriculture, p.80.

2. Of which one-third were on navigable water.

3. Econ. Ser.No.18, Wheat, Oats and Barley, pp.22-3.

4. Ibid..

5. Calculated from Agricultural Statistics.

6. Econ. Ser.No.18. Wheat, Oats and Barley, p.163.

was greater in the early season when it was mixed with the strong American and Canadian wheat then available, rather than later when the competitive soft Argentine wheat was available.<sup>1</sup> The more Canadian wheat was sold in Britain the greater was the demand for domestic wheat to mix for flour, and to this extent Empire wheats were complementary.<sup>2</sup> The shift in favour of Dominion wheat, especially after 1932, was a slight stimulus to demand for domestic grain, especially in conjunction with the duty on Argentine supplies.

There was a steady seasonal demand from biscuit and household flour manufacturers for which domestic wheat was pre-eminently suited.<sup>3</sup> Poultry feed demand was four to five times greater in spring and early summer than in autumn, when these users often took foreign wheat because domestic varieties were no longer available.<sup>4</sup> These markets would have been more favourable to farmers than sales to the much larger and better organized bread flour millers who had far greater bargaining power in the market, especially early in the season.

Domestic wheat usually commanded lower prices than imported varieties owing to the seasonal pattern of sales, the more limited demand from large port millers, the lack of strength of domestic wheat, and the variation in the size and quality of deliveries. The lack of uniformity and the unreliability of British grain was due to the vast number of varieties available. The National Institute of Agricultural Botany had recommended a half-dozen varieties that might cover all needs. In addition, the condition of domestic wheat varied much more than imports as a result of the seasons, soil, weather, and location, and hence was often regarded as

1. Ibid. p.164.

2. Astor and Rowntree, British Agriculture, p.80.

3. Econ. Ser. No.18, Wheat, Oats and Barley, p.164.

4. Ibid..

objectionable by large millers.<sup>1</sup>

Although the practice of sale by sample made grain marketing the most efficient amongst agricultural commodities, no attempts were made to define standards of sampling in the same way as with imported wheats. These were classified in the country of origin under government certification according to type and grade. Only the 25% of home wheat sold to large milling centres needed grading, since country millers and poultry farmers dealt locally and directly, but bulk purchase by telephone would have made domestic wheat more acceptable to large millers. The Ministry attempted to publicize these deficiencies and encourage improvement but no use was made of the 1928 Grading and Marking Act in respect of wheat, and imported grain was still commanding higher prices in the 1930s.<sup>2</sup> There was also less seasonal price variation just prior to the Great War than during the less settled inter-war years, although some improvements were made in the 1930s under the Wheat Commission.<sup>3</sup>

#### Barley

The barley acreage was distributed over all arable districts but since barley preferred a light soil and low rainfall it was more concentrated in the Eastern Counties than was wheat. Half the English barley acreage was grown in Suffolk, Norfolk, Essex, Cambridgeshire and Lincolnshire, and only 10% of the British acreage was cultivated in Scotland. There had been a 40% fall in the acreage during 1875-1925, and barley represented only 2.2% of UK off-farm sales in 1923-39.<sup>4</sup>

In the 1920s British barley production accounted for 58% of total domestic supplies and retained UK imports. In 1932-9 this figure was

1. Ibid. pp.168-9.

2. Tables C.1 & C.IV.

3. Agricultural Statistics.

4. Econ. Ser. No.18, Wheat, Oats and Barley, p.26; Agricultural Statistics; Table F.IV.

reduced to 49% despite import quotas, as growers changed to wheat production under the stimulus of the 1932 subsidy until barley became eligible for payments in 1937.<sup>1</sup> Of the total output of England and Wales, an average of 65% was sold off farms and the remainder was fed to stock.<sup>2</sup> Total British supplies were evenly apportioned between stock feeding; the milling and provinder trades; and malting, brewing, and distilling, and there were different barley types for each requirement. Malting barley commanded the highest prices, and domestic grain was priced higher than imports, which reflected its position as a superior product capable of producing very fine malt.

Barley suffered little from the rush to sell after the harvest. Although 80% was sold during September to January and 60% from October to December, this reflected the seasonal variation in manufacturing demand. Prices were highest in these months, and maltsters and brewers were best equipped financially to buy and store grain in the autumn.<sup>4</sup> The question of orderly marketing arose in respect of feeding barley which should have been kept off the market early in the season when malting demand was on and before farmers made purchases for winter feed. Seasonal prices varied much less before the War than during the 1920s or 1930s, but in the inter-war years more grain gained the higher prices of the early season.

There was a downward trend in total barley production and demand which began in the late nineteenth century and continued until the 1930s, and resulted from the decreasing consumption of beer and spirits, and technical

1. Tables C.III and C.IV. In 1911-13 Russia supplied 25% of UK Barley imports, India 19%, Turkey 14%, USA 13% and the Empire 24%. In 1929-31 the USSR sent 27%, USA 26%, Roumania 11%, and the Empire 9%. After Ottawa, in 1932-9 Canada sent 16%, USSR 16%, USA 15% and all the Empire 22%. Annual Statements of the Board of Trade.

2. Econ. Ser. No.18, Wheat, Oats and Barley, p.34.

3. Ibid. pp.27 and 172.

4. Ibid..

changes in their production which required special types of imported grains.<sup>1</sup> However, the trend towards darker beers kept up demand for English malt but the decline in consumption also reduced the number of small country maltings and breweries, and left only larger and more powerful buyers who required uniform bulk grain deliveries. There was a need to reduce the number of barley varieties, as had been done in Ireland, Canada, and Denmark, which would have allowed defined grades and more purchases on the basis of extract percentages. The Ministry advocated that such measures be investigated by the National Institute of Agricultural Botany, the industries concerned, and pure line seed and growers associations, but nothing was achieved.

### Oats

Oats production was widely distributed throughout Great Britain; the five eastern counties having only 18% of the English acreage and Scotland 32.5%.<sup>2</sup> Oats were suited to a wider range of soil, altitude, and rainfall than wheat or barley and were in widespread use as feed.

British oats production accounted for 83% of total domestic supplies and retained UK imports in the 1920s, but this was increased to 92% in 1932-9 as imports were severely reduced.<sup>3</sup> Most oats were retained on farms for feed, and milling oats utilized only 18% of supplies in the 1920s. There was a growing tendency to feed oats to all stock, not just horses, and the rise of poultry also took up the loss of demand occasioned by declining horse numbers. In the 1930s 90% of oats were used as feed.<sup>4</sup>

1. Ibid. pp.172-3.

2. Ibid. p.37; Table C.II.

3. Tables C.III & C.IV. In 1911-13 36% of UK imports came from Argentina, 24% from Russia, 13% from Germany and 11% from Canada, and all the Empire 12%. In 1929-31 these countries sent 31%, 22%, 22%, and 10% respectively, but the Empire's share had risen to 36%, and in 1932-9 to 62%, largely as a result of Canadian expansion to 60%, Annual Statements of the Board of Trade.

4. Astor and Rowntree, British Agriculture, p.80.

Eighty per-cent of oats marketed were sold during September to March, but the rise in prices during the year was not so pronounced as for wheat because demand was high during the winter for feed. Millers found difficulty in securing supplies late in the year as the demand for poultry feed increased, and they had to rely on imports. As a result of the extensive damage done by pests to spring sown oats there was a rapid increase in winter sown oats, and this improved the seasonal demand pattern. However, since these were initially black or coloured varieties which were not favoured by millers or poultry food merchants, the balance of the situation changed little until white winter varieties were introduced in the 1930s and then the annual price distribution situation improved. British oats were better food for man and stock than imports, and could command better prices.

#### Cereal Production and Marketing

As with most other agricultural products, it was considered that there were an excessive number of transfers amongst cereal merchants before the final sale, and farmers in small country markets realized unduly low prices compared with larger centralized markets.<sup>1</sup> However, owing to the practice of sale by sample grain was marketed in a more efficient manner than most other agricultural commodities and marketing costs were comparatively low.<sup>2</sup> Grain buyers were comprised of some specialized corn merchants, mostly operating around the Wash where the density of production was greatest, and a majority of general agricultural, hay, corn, and seed merchants. General produce merchants handling potatoes and vegetables also sometimes ventured into corn dealing.<sup>3</sup>

The corn trade was highly competitive and its necessary services were not regarded as unduly costly by 1938.<sup>4</sup> However, 60% of the corn crop was

1. Reports of the Departmental Committee on the Distribution and Prices of Agricultural Produce; Cereals, Flour and Bread, Cmd.1971, 1923; Final Report, Cmd.2008, 1924.

2. Econ. Ser. No.18, Wheat, Oats and Barley, p.162.

3. Astor and Rowntree, British Agriculture, pp.78-9.

4. Ibid. p.79.



fed to animals and a large proportion of this did not even leave the farm gate.<sup>1</sup> There was a tendency for the marketing of cereals to become concentrated into larger units, especially with wheat where the number of final purchases was very low and the balance of bargaining power was very much against merchants and farmers. In 1928 the Ministry advocated producer selling agencies to further farmers' marketing power and to better control seasonal sales and grading, but collective bargaining on national lines was considered out of the question then.<sup>2</sup>

British grain production suffered the competition of grain supplies from overseas, where production costs were lower. On the North American prairies and the wheatlands of the southern hemisphere rents were perhaps one-third of those in Britain, and growers were also able to produce grain with the expenditure of far fewer, though more expensive, man-hours. They had a higher degree of mechanization and reduced costs by 'negligent' cultivations involving no rotations or fertilizers, and achieved yields of only one-third of those in Britain.<sup>3</sup> British farmers were introduced to tractors and machinery on a wide scale only during the food production campaigns of the Great War. Thereafter wages regulation and labour shortages stimulated the use of machinery in corn production where manpower was the most important cost item. Tractors reduced the amount of labour required to prepare fields, and could achieve more on precious dry days or when the land was too wet for horses. The number of horses was reduced in ploughing, reaper-binding, and threshing, as was the labour required for their care. Reaper-binders were increasingly replaced by combine-harvesters which could reap and thresh, and in 1938 it was held that many arable farms

1. Ibid. p.80.

2. See Econ. Ser. No. 18, Wheat, Oats and Barley, principally pp.8, 162-3.

3. Astor and Rowntree, British Agriculture, p.81.

were as mechanized as local conditions, field structure, contour, and lay-out would permit.<sup>1</sup> Under pressures of falling prices and more stable costs in the inter-war years, arable farming made a wiser use of fertilizers, surplus cultivations were eliminated, and some improvements in general efficiency and organization were attained.<sup>2</sup> However, domestic production costs could never be made as low as those overseas.

Except during the sharp price fall of 1921/2, profits on wheat, barley, and oats, although falling, were generally available in the 1920s.<sup>3</sup> Increased and cheapened imports of wheat from 1929, and of barley and oats from 1930, brought losses to British farmers. The proportion of Empire wheat declined in 1929-31 in favour of imported soft wheats which further reduced demand for domestic supplies.<sup>4</sup> Excess world production and reduced demand in international grain markets depressed world prices, and continental protection diverted cereals into the UK at prices with which many British farmers could not profitably compete. Wheat farmers suffered the heaviest losses, especially in 1930/1 and 1931/2.

Wheat was still regarded as occupying a major position in British agriculture and the government's attention was brought to bear on the increasing cries of distress from the arable areas of eastern England. There was a strong tradition in the minds of both agriculturalists and politicians that good farming meant arable farming, that wheat was the corner-stone of British agriculture, and that to let the land go down to grass was in effect throwing away a national asset.<sup>5</sup> The question was seen essentially as one of giving relief to the practically bankrupt arable farmer suffering from a depression in world prices, and preventing the further decline of the arable acreage.

1. Ibid. p.78.

2. Ibid..

3. Graph F.IV.

4. Tables C.I, C.III, and C.IV.

5. Astor and Rowntree, British Agriculture, p.83.

Government Policy for Wheat: The 1932 Wheat Act

The political and inter-departmental debates that took place concerning support for wheat farmers and the arable sector generally in the 1920s and in 1930-2 were examined in Chapter II and will not be repeated here. Addisons's proposals for import boards, bulk purchase and milling quotas forwarded in July 1930 were debated at length, but were opposed by Snowden and other members of the Cabinet. Following the 1931 election and the transition to protection during the winter of 1931/2 Conservative proposals for a levy-subsidy scheme were made possible and enacted in May 1932.<sup>1</sup>

Whilst the debate over subsidies was in progress at the peak of the crisis in world wheat and agricultural production in 1931, the Conference of the Wheat Exporting Countries was held in London at the invitation of the Canadian government. The Final Act of the Conference stated that the wheat depression arose from the general economic depression and wheat surplus, the uncertain state of the market, and the lack of adequate information on world production and demand. It was then considered that where possible a reduction in the wheat acreage should be undertaken by the eleven signatories (Britain not being a wheat exporter was not included), who, helped by a Representative Committee of the Conference should also attempt to utilize more wheat and circulate information for the orderly marketing of the surplus.<sup>2</sup> In fact the whole affair went little further than this mild attempt at international economic co-operation, and reductions in world output were largely due to producers shifting the emphasis of their production away from wheat in search of better returns.

In Great Britain the 1932 Wheat Act secured enhanced prices to growers through deficiency payments which represented the difference between the

1. Wheat Act, 1932, See Chapter I.

2. MAF 37/169, Final Act of the Conference of Wheat Exporting Countries, 18-23 May 1931.

ascertained average market price of domestic millable wheat and a standard price of 10s. per cwt.. In order to limit the amount eligible for payment the Minister was required to prescribe for each cereal year the quantity of millable wheat which he anticipated would be sold by growers during the year; the deficiency payments were then to be reduced in proportion to any excess output. The maximum output eligible for full payment was limited to 27m.cwt. in order to prevent cultivation on unsuitable land. Total British production had not been this high since 1927, and making allowances for feed, seed, tail corn, damage, and losses, this figure aimed at encouraging the extension of the acreage to the levels of 1910-4.

The funds for this scheme were derived from quota payments on all flour delivered or milled in the UK, paid pro rata by millers and importers, calculated according to the price deficit and the proportion of the anticipated wheat supply to the total flour supply. Feed millers and flour exporters were initially exempted from payment and a contingent liability was placed upon millers to purchase any unsold stocks of millable wheat at the end of each cereal year. The scheme was in fact a levy on imported wheat (and flour) which provided most of Britain's milling grain. Millers could recoup their costs by reducing their purchase prices for imported and home wheat and raising their flour prices.

A Wheat Commission was to be responsible for administering the scheme,<sup>1</sup> holding finances in a Wheat Fund, to provide wheat growers with secure markets. The Flour Millers' Corporation would discharge any obligations in respect of unsold wheat stocks by purchase through a Millers' Quota Fund. Any profits or losses from the sale of the surplus were to be distributed pro rata amongst millers.

1. This consisted of 17 appointed persons representing growers, millers, importers, dealers in home wheat, bakers, and flour consumers.

Because the Act did not control the grain market, and the subsidy payment was related only to the average market price, higher quality production was rewarded with higher prices. Payments were not made until the ascertained average price and quantity of millable wheat sold were determined at the end of the cereal year.<sup>1</sup> Because this meant a long delay between sales and receipt of the subsidy payment, which did nothing to ease precipitate marketing problems, the Wheat Commission was allowed to make advances of enabling payments to farmers.

Finally, the Minister was required to appoint by March 1935 a Committee of Inquiry on the desirability of altering the standard price. If it were too low producers would take a loss, and if it were too high inefficient production might be encouraged at too high a cost to consumers.

The Act was generally favoured by the agricultural community, especially the large wheat growers in eastern England, and by others who saw it as the first move in the direction of general support for agriculture. Criticism from farmers was concerned with its complexity and the fact that the benefit accrued largely to a restricted area of eastern and south-eastern England which was already receiving most of the subsidy on sugar beet.<sup>2</sup> However, arable farmers faced a greater burden of wages payments and the granting of the wheat subsidy strengthened the hand of meat and milk producers when they asked for support.

The Act accomplished its primary object of relief, and led after 1932 to a large and sudden increase in the wheat acreage, which reached 1911-13 levels in 1934 and 1935, by providing attractive minimum prices and an assured market at a time when this was not available for many other farm products.<sup>3</sup> Consequently, there was also a rise in the number of wheat

1. The cereal year was 1 August to 31 July, Agricultural Statistics.

2. Outside agriculture, The Economist showed that the classical free trade critique of such legislation, particularly where it seemed against the factory interest, was still very vocal, Astor and Rowntree, British Agriculture, p.85.

3. Graph F.IV; Table C.II.

growers from 77 000 in 1932/3 to a maximum under the scheme of 95 000 in 1934/5, and the proportion of wheat production sold off farms rose from 65% in 1925-31 to 89% in 1932-9.<sup>1</sup>

With the establishment of the domestic milling quota and the rejection of import boards and bulk purchase, all that remained to be carried to Ottawa of the proposals made to the 1930 Imperial Conference were those regarding a Dominion milling quota.<sup>2</sup> This time it was discarded by the Dominions because it gave no safeguards for prices, and they now favoured preferential tariffs and the exclusion of Soviet competition. The result of the Ottawa Conference was a preferential tariff of 5.6d. a cwt. on foreign wheat with free entry for the Dominions.<sup>3</sup> This was found preferable to a quota that would have been difficult to operate, would have formed a barrier to international trade, and would have been open to price manipulation. This solution was considered the simplest to administer, and the least subject to arbitrary change or disturbing to business. It gave the Dominions protection against Russian wheat and British farmers safeguards against Argentine grain.<sup>4</sup>

Excessive world wheat production was still a disturbing influence on the international market when the Conference of Wheat Exporting Countries was held in London in 1933. This was a product of the World Economic and Monetary Conference, and its Final Act was a far more positive statement than that of the 1931 Conference.<sup>5</sup> It provided for Canada, USA, Argentina, and

1. Mollett, J.A., 'Wheat Act', p.28; Agricultural Statistics.

2. See Chapter II.

3. Ottawa Agreements Act, 1932. The duty was 2s. a quarter, and this was reduced to 4½d. a cwt. under the Import Duties (Drawback) (No.11) Order, 1935, from Sept. 4th 1935. See chapter II.

4. See Drummond, I.M., Imperial Economic Policy, pp.266-9, 276.

5. Final Act of the Conference of Wheat Exporting and Importing and Importing Countries, 25 Aug. 1933, Cmd. 4449, 1933; MAF 40/14, International Agreement Respecting Wheat Production and Export, 1933.

Australia to accept export adjustments for 1933/4 with a limit for 1934/5 of 15% less than their exports in 1931-3. Bulgaria, Hungary, Roumania, and Yugoslavia were given a maximum combined export figure of 50m. bushels for 1933/4 and 1934/5, and the USSR was to decide upon a limiting figure in consultation with a Wheat Advisory Council established to administer the Agreement.

The 22 signatory governments agreed not to encourage any extension of their wheat acreages and to stimulate consumption. Britain signed having already fixed her expansionist wheat policy. However, the Agreements expired through a lack of co-operation and breaches by various countries, notably by Argentina. Price rises caused by the North American drought stimulated further acreage extensions and destroyed the hesitant political moves of 1931-3 towards 'control'. In 1938 the Wheat Advisory Committee was attempting to produce a new treaty to meet problems created by the continued surplus, but moves towards further co-operation were overtaken by the Second World War.

The principles and administration of the Wheat Act remained unchanged throughout the 1930s. Its operation brought higher incomes to wheat growers<sup>1</sup> and it was regarded as effective by both farmers and government. The Standard Price Committee concluded in 1935 that no adjustment to the guaranteed price was required, on the grounds that economic conditions had improved since 1932, especially in Great Britain, and that there was less danger of disturbance in world prices or sterling prices than in 1932.<sup>2</sup> The position of farmers in the Eastern Counties<sup>3</sup> had been improved through the deficiency payments, the potato scheme, and the beet subsidy, and agricultural wages improved more in wheat growing areas than elsewhere. Any reduction in the standard price would have adversely affected this situation, yet the report noted that farmers were still not receiving a return equal to this price because production exceeded the maximum supply limitation.

1. Graph. F.IV.

2. Report of the Standard Price Committee, 1935, Cmd.4932, 1935.

The maximum supply limitation was raised in 1937 under the Agriculture Act from 27m.cwt. to 36m. cwt.<sup>1</sup> It was stated that this was intended as a means of securing sufficient supplies in the event of war, and of increasing the productivity of the land by means consistent with the normal peacetime economic development of agriculture.<sup>2</sup> The quantity of unsold wheat stocks which the Flour Millers' Corporation were obliged to purchase was reduced from 12½% of the annual supply to 4m. cwt. (11.1%) although at no time in this period did supplies have to be purchased in this way. The fact that only a very small subsidy was required for a short while during the passage of the Act made the increase easier to achieve.<sup>3</sup>

The Wheat (Amendment) Act 1939 renewed the scheme without altering it, except in respect of a number of minor and technical changes. Quota payments on meal milled from wheat were reduced to  $\frac{3}{8}$  of the full rate, and the Wheat Commission was allowed to apply to the Minister of Agriculture for quota payments from certain imported goods having a wheat content. The Commission was now enabled to make payments to promote research and education in growing, marketing, or utilizing wheat. Finally, it was determined that the standard price, which had remained at 10s. throughout the decade, was thereafter to be renewed every ten years.

#### Government Support for Barley and Oats Production

Until 1937 the Wheat Act had secured the intended extension of the wheat acreage but no more. The arable acreage as represented by wheat, oats, and barley continued to fall, although the rate of decline was slower after 1932.

The barley acreage was sharply reduced from 1933 as many farmers were attracted to the subsidies available from wheat production and following the low incomes from barley in 1930/1 to 1932/3.<sup>4</sup> The slight

1. 6m. quarters to 8m. quarters.

2. Hansard, Vol. 324, 27 May 1937, Cols. 431-4.

3. Ibid. Col. 433.

4. Graph. F.IV; Tables C.I. and C.II.



recovery in 1934 was brought about with the aid of a reduction in the beer duty and the 'Gentlemen's Agreement' in April 1933 between Chamberlain and the Brewers' Society. It was announced that the Society's members intended to purchase a minimum quantity of 7.5m. cwt. of domestic barley (70% of requirements) in the following year, and to increase their purchases with any extension of beer production over the standard barrelage of 1934/5. This complemented their Agreement concerning hops, and a similar assurance was given by distillers using barley, who had already supported growers at a certain degree of personal loss.<sup>1</sup> The agreements were generally well upheld but did not have any commitment regarding prices, and the barley acreage showed little recovery as growers continued to favour the price guarantees offered on wheat production. The area under oats continued to decline in favour of wheat, barley, and other cash crops, and even grass.

As a result of concern about the productive capacity of the land in the event of war, the 1937 Agriculture Act provided financial aid for arable areas where wheat and sugar beet were not important cultivations. The Agricultural Tribunal of Investigation had recommended duties on malting barley in 1923, but it had not been found possible to devise a scheme which only included malting barley.<sup>2</sup> With the continued decline in domestic barley production foreign imports were subjected to a 10% ad valorem duty under the Import Duties Act, but since this did not offer suitable protection for malting barley it did not solve the problems of many barley growers. Oats producers had faced difficulties during the 1920s, although incomes were improved after the imposition of a 20% duty on foreign oats in September 1933.<sup>3</sup> Although imports were substantially reduced they were a

1. Econ. Ser. No.45, Report of the Wheat Commission, 1938, p.130.

2. Memorandum on Malting Barley, Cmd.2996, 1927.

3. Orders under the Import Duties Act. Import Duties (No.18) Order, 1933. This was raised to 3s. a cwt. on oats and 7s.6d. on oatmeal in January 1934 by the Additional Import Duties (No.1) Order, 1934.

small proportion of total consumption<sup>1</sup> and the oats acreage continued to decline.

In order to prevent the continued decline in the acreage of barley and oats a scheme of subsidy payments was introduced under the 1937 Agriculture Act to provide an insurance against low prices, together with payments to halve the cost of lime and basic slag.<sup>2</sup> The Wheat Commission was entrusted with the administration of the subsidies, which were available for the 1937-41 harvests if the average UK market price of domestic oats fell below 7s.7d. a cwt.. Owing to the different prices of malting and feeding barley no standard barley price was to be ascertained, but the oats price <sup>was to be</sup> used instead.<sup>3</sup> Only  $\frac{11}{10}$ th of the 1937 acreage was eligible for a full subsidy in the future, and reductions would be imposed in proportion to the excess. Growers were entitled to register either for this subsidy or the wheat deficiency payment, and oats and barley grown mixed with certain other cereal crops were eligible for reduced payments.

The subsidies were available on an acreage basis because until 1939 the segregation of malting and feeding barley was not considered administratively feasible, and like oats, large amounts of grain were not sold but consumed as feed on the farm. It was not an economic proposition to produce barley when most equivalent meal prices were lower, and it was as cheap to purchase some feeds as to grow oats, leaving fields free for profitable cash crops. Hence payments were required to ensure the maintenance of these arable cultivations for security in war. However, acreage payments did not provide the same incentives for increasing efficiency which were offered by the Wheat Act's subsidies. Farmers with

1. Tables C.III and C.IV.

2. Payments were available for 50% and 25% of purchases respectively.

3. The grant was to be either six times the difference between the average market price of September to April and 8s. a cwt., or £1 per acre, for each acre of oats or barley, the lower sum being payable. It was assumed that an average yield of 16 cwt. of oats was attainable and that 6 cwt. was sold off the farm. The subsidy might be reduced in cases of negligent cultivation. MAF 34/156, Agricultural Development Bill, Notes for Second Reading Speech. Pt.I, 1939.

higher than average yields benefited most from the subsidy on each cwt. of output, for increased yields gained higher payments and offset increased investment. Growers with low yields as a result of cut-backs in investment gained most from acreage payments and had little incentive to improve cultivation.

It soon became realized that it was necessary to adjust the subsidy structure. The barley subsidy could not be linked to oats prices, because different factors governed the acreages and prices of the two cereals. Barley prices might fall because of a change in the import situation, which had become very stable for oats. Alternatively, barley growers might receive an unwarranted subsidy if oats prices alone fell. In addition the cost of wages and fertilizer rose in 1938 and 1939, and this required an alteration in the market price of oats under which subsidies were payable, especially since the major barley growers were often not eligible for the payment because they took the wheat subsidy. The Agriculture Act consequently failed to provide much needed payments in 1938, especially for barley. The acreages rose only slightly in 1938, and with the increased likelihood of war it was felt that these incentives to production should be made more effective.<sup>1</sup>

The Agricultural Development Act, 1939 re-structured the price insurance policies and was intended to stabilize markets for domestic barley. A backdated subsidy of 31s.6d. per acre (or 13s.6d. if the wheat subsidy had been taken), was made available immediately for the 1938 crops of oats and barley. Oats prices were to be safeguarded by payments, from the 1939 harvest onwards, if the average UK market price fell below a standard price of 8s. a cwt. by 3d. or more. A higher rate of subsidy (14 times the difference between the average and standard prices, or £2.6s.8d. per acre) was available where the wheat subsidy was not taken, on up to an aggregate of 1.47m. acres. Where the wheat payment was taken, a payment of  $\frac{6}{14\text{th}}$  the

1. Great Britain was already storing grain at this time.

full rate was available for up to 1,03m. acres. Payments would be reduced in proportion to any excess, unless the amount of barley harvested was below 2.5m. acres.

It was considered important to help barley growers, especially in East Anglia which produced the finest malting barley. Prices had been unremunerative in 1938 as domestic production and imports rose sharply, and a substantial part of the crop had been unsaleable except for grinding for feed owing to the low prices governed by world levels.<sup>1</sup> This situation also depressed the value of sales to distilleries in north-eastern Scotland.<sup>2</sup> Because of the urgency of the situation two schemes were proposed in the Act and the details were left vague, although parliamentary approval was required before a scheme could operate. A simplified scheme was devised for the 1939 crop, providing acreage payments from an Exchequer subsidy and a levy on brewers and distillers, and this also allowed for the carrying over of the abundant 1938 crop.

The elaborate powers made available to develop domestic barley sales and to stabilize the market reflected the governments approach to policy as expressed through the commodity commissions. The scheme could determine the percentages of domestic grain used to manufacture specified products using barley, and ensure that barley was certified and sold according to whether it was to be used industrially or not. The Act allowed either a scheme with prescribed minimum prices to be paid by manufacturers for malting barley, as farmers preferred, or a barley subsidy funded from parliament and from

1. Tables C.I, C.II, and C.III.

2. MAF 37/156, Agricultural Development Bill - Notes for the Second Reading, Pt.II, 1939.

levies on barley manufacturers and importers.<sup>1</sup> Finally, a Barley Advisory Committee representing growers, merchants, and manufacturers was to be established to advise ministers. In the event, neither scheme could be taken up before the advent of war raised prices and rendered schemes unnecessary.

### Cereals Policy in the 1930s

The wheat deficiency payments were the most important part of cereals policy in the 1930s. They almost doubled returns from wheat production, but since wheat represented only 3-5% of off-farm sales, farm incomes were raised on average by only 1-2½%.<sup>2</sup> The payments were also concentrated in the eastern counties where perhaps 10% of all wheat farmers gained 40% of the subsidy.<sup>3</sup> This pattern was repeated for barley, although oats subsidies were more widely distributed.

The Wheat Act was successful in restoring the acreage levels of 1910-14, until 1937 when a further rise was encouraged as part of the defence programme. It was also intended to stabilize the barley and oats acreages for the same reasons, although this was less successful in respect of oats.

The wheat legislation did not restrict the consumption of wheat grain and wheat products, and the UK obtained the advantage of the ample supplies and low prices on world markets. As a result of the Act more domestic wheat was produced and a much greater proportion was sold off farms.<sup>4</sup>

Domestic production had fallen to 13% of UK supplies by 1931-2, but was raised to 24% in 1932-9.<sup>5</sup> Milling demand for domestic wheat did not rise

1. Subsidies were payable to growers up to £2.13s.4d. per acre when feeding barley prices fell below a standard price (initially 8s. a cwt.). If 9/10th of the domestic barley harvest exceeded 18m. cwt. this subsidy was to be reduced by the same proportion that the excess bore to the difference between an industrial quota of barley and 9/10th of the harvest.

2. Table F.IV.

3. Mollet, J.A., 'Wheat Act', p.29.

4. The proportion sold off farms rose from 65% in 1925-31 to 89% in 1932-9. This indirectly helped to improve the standard of wheat since farmers even sold grain that they would have retained for seed. Instead they bought in properly treated seed corn. Econ. Ser. No. 45, Wheat Commission, p.104; Agricultural Statistics.

5. Tables C.III and C.IV.

accordingly despite changes in imports towards more compatible Empire wheats, and the market price of home wheat dropped in proportion to import prices under the influence of competing soft wheat imports and stable demand.<sup>1</sup> Imports were more stable due to the rise in home production, the wheat duty, and world production trends. The relatively limited market for British wheat in bread making meant that part of the increased supply was fed to livestock, and the Flour Millers' Corporation was not required to purchase any surplus stocks.

The oats and barley payments came direct from the Exchequer, but the wheat subsidy was in practice an excise on flour, paid mostly by overseas and home growers, but borne mainly by consumers in the form of slightly dearer flour and meal. However, bread prices did not rise as much as flour prices,<sup>2</sup> and the heaviest levies on flour were paid in periods of the lowest wheat prices, when consumers paid lower than average bread prices. When the quota payment was highest, in 1938/9, the price of a 4 lb. loaf was 1d. cheaper than in 1937/8, when high wheat prices allowed the temporary suspension of the payment. Consumers also benefited from the use of wheat as cheap livestock feed. The Wheat Act allowed consumers to pay less both directly and indirectly for many foods as world and domestic wheat prices fell, than if unrestricted import competition had taken up more of the market with more expensive supplies. Unemployment and distress in wheat growing districts was also averted.

It had generally been accepted as being in Britain's best interests to encourage the flow of relatively cheap grain from overseas in exchange for manufactures and invisible earnings, in accordance with free trade rationale and the traditional dislike of duties on food. There had been attempts to revive agrarian protection in the 1920s to halt the decline in the arable acreage,

1. Tables C.I, C.III & C.IV; For 1922-32 domestic wheat prices were 88.7% of imported prices, but for 1932-9 they were 85.6%.

2. Econ. Ser. No.45, Wheat Commission, p.139.

to prevent the drift from the land, to save on the import bill, and to ensure a strong agriculture for defence. However, the renunciation of free trade in 1931/2, together with the drastic fall in world cereal prices induced the government to provide subsidies for wheat, which it accomplished in a manner which gave farmers the prices they required without damaging the interests of consumers. Initially support was given because political and social considerations could not allow the collapse of what was regarded as the mainstay of British agriculture. From 1937 considerations of national defence and investment in productivity became additional reasons for strengthening arable farming.

Table C.I

Cereal Prices and Subsidy Payments in Great Britain,  
1911-13 to 1938/9.<sup>1</sup>

YEAR	ENGLAND AND WALES.						SCOTLAND.											
	WHEAT		BARLEY		OATS		WHEAT	BARLEY	OATS	WHEAT	BARLEY	OATS						
	MARKET PRICE.	SUBSIDY.	MARKET PRICE.	SUBSIDY.	MARKET PRICE.	SUBSIDY.	MARKET PRICE.	MARKET PRICE.	MARKET PRICE.	MARKET PRICE.	MARKET PRICE.							
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.							
PER CWT.	PER CWT.	PER CWT.	PER CWT.	PER CWT.	PER CWT.	PER CWT.	PER CWT.	PER CWT.	PER CWT.	PER CWT.	PER CWT.							
1911-13	7	7	-		7	11	-		7	1	-		7	6	7	10	7	6
1914/15	12	3	-		8	5	-		9	8	-		10	11	8	4	9	11
1915/16	14	2	-		13	7	-		12	7	-		11	8	13	6	10	7
1916/17	16	10	-		17	5	-		15	11	-		16	0	16	8	15	7
1917/18	16	9	-		16	5	-		16	9	-		16	9	15	11	16	7
1918/19	16	11	-		17	4	-		17	10	-		16	7	17	2	16	9
1919/20	17	0	-		28	0	-		20	10	-		17	3	26	10	20	5
1920/21	19	11	-		21	5	-		16	1	-		16	9	13	6	13	4
1921/22	11	10	3	0½	13	11	-		10	5	6	0	10	0	10	5	9	6
1922/23	9	9	-		10	0	-		9	7	-		9	0	9	5	9	7
1923/24	9	10	-		10	9	-		9	3	-		9	10	10	1	9	3
1924/25	12	8	-		15	4	-		9	11	-		12	0	11	1	9	10
1925/26	11	11	-		11	3	-		9	3	-		11	7	8	6	8	11
1926/27	11	10	-		11	5	-		8	6	-		11	4	9	0	8	1
1927/28	10	3	-		12	0	-		9	10	-		9	11	10	2	10	6
1928/29	9	8	-		10	8	-		9	3	-		9	4	9	0	8	6
1929/30	9	2	-		9	3	-		7	1	-		8	5	7	4	5	11
1930/31	6	1	-		8	11	-		6	0	-		5	5	5	2	6	2
1931/32	6	1	-		8	10	-		7	0	-		6	1	6	0	7	7
1932/33	5	6	4	5¼	7	6	-		6	0	-		5	6	5	6	5	1
1933/34	4	9	4	10¼	9	9	-		5	11	-		4	8	7	1	5	4
1934/35	5	0	3	9½	9	0	-		6	9	-		4	10	6	7	6	5
1935/36	6	2	3	4½	8	10	-		6	2	-		5	10	5	11	5	4
1936/37	9	1	1	1½	10	1	-		7	10	-		8	11	9	2	7	7
1937/38	8	5	1	7	12	9	0	0	8	5	0	0	7	5	9	10	7	4
1938/39	4	7	5	4¾	8	3	0	2¾	6	3	0	1	4	5	6	9	5	4

1. Agricultural Statistics. Wheat payments from Econ. Ser. No. 45 and Mollett, 'The Wheat Act'. Barley and oats payments calculated from Agricultural Statistics and Wye College Report No. XXXII.



Table C.II

Cereal Acreages and Yields in Great Britain, 1911-13  
to 1939.<sup>1</sup>

YEAR	ACREAGES OF CEREALS.						YIELDS OF CEREALS.		
	WHEAT		BARLEY		OATS		WHEAT	BARLEY	OATS
	GREAT BRITAIN.	ENG./WALES.	GREAT BRITAIN	ENG./WALES.	GREAT BRITAIN	ENG./WALES.	CWT. PER ACRE	CWT. PER ACRE	CWT. PER ACRE
	ACRES.	ACRES.	ACRES.	ACRES.	ACRES.	ACRES.			
1911-13	1 862 699	1 802 478	1 667 713	1 489 868	2 984 114	2 031 451	16.9	15.1	12.9
1914	1 868 019	1 807 492	1 698 877	1 504 771	2 849 197	1 929 617	18.3	16.1	14.3
1915	2 246 824	2 170 170	1 381 060	1 231 714	3 070 610	2 028 007	17.5	14.3	14.1
1916	1 975 291	1 912 208	1 501 811	1 332 076	3 075 250	2 084 661	15.8	14.8	13.7
1917	1 979 416	1 912 485	1 618 931	1 459 796	3 300 252	2 258 909	16.5	14.7	13.8
1918	2 653 723	2 556 661	1 653 644	1 500 807	4 023 284	2 780 061	18.4	15.7	14.7
1919	2 300 704	2 221 195	1 683 462	1 509 716	3 674 544	2 563 733	16.1	14.3	12.8
1920	1 928 964	1 874 585	1 841 329	1 636 960	3 297 322	2 265 624	15.7	15.1	13.4
1921	2 041 195	1 976 004	1 606 341	1 435 620	3 160 558	2 148 443	19.9	14.6	13.6
1922	2 032 168	1 996 917	1 521 068	1 364 048	3 152 357	2 153 965	17.1	14.4	12.3
1923	1 799 046	1 740 257	1 485 604	1 326 947	2 945 844	1 977 633	17.6	14.3	13.8
1924	1 594 253	1 544 804	1 465 660	1 314 072	2 993 483	2 037 948	17.7	15.6	14.7
1925	1 548 245	1 497 628	1 470 731	1 317 810	2 794 171	1 868 176	18.3	15.7	15.0
1926	1 645 989	1 592 212	1 269 959	1 147 662	2 803 481	1 863 908	16.5	16.1	16.0
1927	1 702 557	1 635 980	1 166 295	1 048 926	2 648 516	1 751 146	17.5	16.4	14.8
1928	1 453 770	1 395 543	1 296 927	1 185 003	2 641 152	1 762 716	18.3	17.3	16.3
1929	1 380 939	1 330 209	1 220 821	1 120 282	2 743 139	1 854 408	19.2	18.0	16.6
1930	1 400 077	1 346 150	1 126 796	1 020 225	2 640 309	1 778 597	16.1	14.8	15.1
1931	1 246 725	1 196 701	1 117 057	1 029 157	2 486 692	1 652 005	16.2	15.2	15.0
1932	1 340 016	1 287 944	1 029 410	960 542	2 447 751	1 520 377	17.4	16.2	16.3
1933	1 738 775	1 660 389	811 157	751 249	2 350 654	1 494 797	19.2	17.0	16.3
1934	1 857 075	1 759 448	956 848	860 598	2 218 512	1 402 017	20.0	17.1	15.9
1935	1 873 076	1 772 332	868 166	791 653	2 245 533	1 418 625	18.6	16.9	16.2
1936	1 798 211	1 704 469	891 176	818 943	2 248 650	1 419 870	16.4	16.4	15.3
1937	1 832 131	1 731 865	403 646	822 835	2 041 861	1 223 195	16.4	16.5	15.7
1938	1 922 769	1 830 272	984 427	885 499	2 098 490	1 300 738	20.4	18.3	16.2
1939	1 762 697	1 682 626	1 009 670	910 073	2 135 294	1 358 237	18.6	17.6	16.2

1. Agricultural Statistics.

Table C.III

Cereal Production in Great Britain, 1911-13 to 1939.<sup>1</sup>

YEAR	CEREAL PRODUCTION.					
	WHEAT.		BARLEY.		OATS.	
	GREAT BRITAIN	ENG. / WALES.	GREAT BRITAIN	ENG. / WALES.	GREAT BRITAIN	ENG. / WALES.
	CWT.	CWT.	CWT.	CWT.	CWT.	CWT.
1911-13	31 427 422	30 100 000	25 233 333	22 100 000	38 600 000	25 620 000
1914	34 120 000	32 620 000	27 340 000	23 620 000	40 660 000	26 800 000
1915	39 220 000	37 600 000	19 720 000	17 320 000	43 360 000	29 060 000
1916	31 120 000	29 960 000	22 200 000	19 780 000	42 000 000	29 040 000
1917	32 620 000	31 340 000	23 780 000	21 020 000	45 600 000	29 420 000
1918	48 560 000	46 780 000	25 920 000	23 360 000	59 300 000	40 200 000
1919	36 960 000	35 260 000	24 040 000	21 040 000	46 260 000	31 320 000
1920	30 360 000	29 160 000	27 820 000	24 100 000	44 300 000	29 420 000
1921	40 540 000	39 120 000	23 420 000	20 520 000	42 840 000	28 620 000
1922	34 840 000	33 420 000	21 920 000	19 120 000	38 640 000	25 040 000
1923	31 720 000	30 440 000	21 920 000	19 300 000	40 500 000	27 060 000
1924	28 240 000	27 260 000	22 860 000	20 220 000	44 000 000	29 920 000
1925	28 220 000	27 200 000	23 060 000	20 200 000	41 900 000	27 520 000
1926	27 200 000	26 020 000	20 500 000	18 320 000	44 800 000	29 200 000
1927	29 760 000	28 460 000	19 120 000	17 240 000	39 280 000	26 820 000
1928	26 560 000	25 320 000	22 440 000	20 320 000	42 940 000	28 860 000
1929	26 520 000	25 420 000	21 920 000	19 960 000	45 540 000	30 440 000
1930	22 540 000	21 400 000	16 640 000	14 740 000	39 760 000	26 820 000
1931	20 200 000	19 240 000	16 940 000	15 460 000	37 220 000	24 720 000
1932	23 300 000	22 100 000	16 660 000	15 340 000	39 940 000	25 020 000
1933	33 320 000	31 460 000	13 760 000	12 620 000	38 400 000	24 520 000
1934	37 120 000	34 960 000	16 340 000	14 540 000	35 220 000	22 320 000
1935	34 860 000	32 460 000	14 640 000	13 120 000	36 320 000	22 760 000
1936	29 460 000	27 560 000	14 580 000	13 260 000	34 440 000	21 600 000
1937	30 100 000	27 860 000	13 100 000	11 520 000	32 020 000	18 760 000
1938	39 120 000	37 100 000	18 020 000	16 060 000	34 040 000	21 320 000
1939	32 240 000	31 100 000	26 670 000	15 820 000	34 660 000	22 380 000

1. Agricultural Statistics.

Table C.IV

Quantities and Prices of Retained UK Cereal Imports,  
1911-13 to 1939.

CEREAL IMPORTS RETAINED FOR U.K. CONSUMPTION AND PER CENT OF IMPORTS CONSIGNED FROM THE EMPIRE <sup>1</sup>								PRICE PER CWT. OF IMPORTED CEREALS <sup>2</sup>					
YEAR	WHEAT		WHEAT MEAL AND FLOUR	BARLEY.		OATS.		WHEAT.		BARLEY.		OATS.	
	CWT.	%	CWT.	CWT.	%	CWT.	%	s.	d.	s.	d.	s.	d.
1911-13	104 014 853	50.7	10 574 374	22 129 767	23.6	18 212 321	12.0	8	2 $\frac{3}{4}$	7	2 $\frac{3}{4}$	6	4 $\frac{1}{4}$
1914	103 245 748	52.2	9 838 903	15 609 532	16.2	14 094 360	14.9	8	7 $\frac{1}{2}$	7	0 $\frac{3}{4}$	6	7 $\frac{1}{4}$
1915	98 488 693	38.2	10 066 335	11 926 820	29.9	15 521 980	3.6	12	11	9	9 $\frac{3}{4}$	10	10 $\frac{1}{4}$
1916	99 870 643	30.9	9 874 728	15 817 938	36.2	12 362 732	16.0	14	4 $\frac{3}{4}$	13	2	10	5 $\frac{1}{2}$
1917	91 352 058	33.2	13 845 348	9 134 346	32.4	12 596 868	18.8	18	5 $\frac{3}{4}$	19	7 $\frac{1}{2}$	18	3 $\frac{3}{4}$
1918	57 888 888	32.3	26 211 335	5 025 200	19.0	10 975 817	31.0	18	4	21	7 $\frac{1}{4}$	21	0
1919	71 362 276	45.9	17 656 375	16 638 836	29.3	6 709 350	16.4	19	1 $\frac{3}{4}$	21	5	20	0 $\frac{1}{2}$
1920	109 277 107	27.6	11 857 639	12 651 604	23.1	6 076 982	13.0	26	10 $\frac{1}{4}$	22	10	18	5 $\frac{1}{2}$
1921	79 822 342	49.2	13 940 921	15 643 267	23.9	8 172 232	47.0	18	1 $\frac{3}{4}$	11	10 $\frac{1}{2}$	11	10 $\frac{3}{4}$
1922	96 239 004	41.7	13 226 163	12 679 913	29.3	9 239 904	36.2	12	11 $\frac{1}{4}$	9	5 $\frac{1}{2}$	10	2 $\frac{1}{4}$
1923	99 856 036	46.7	11 621 930	18 077 043	32.0	9 728 580	37.1	11	3	8	10 $\frac{1}{2}$	9	5
1924	116 707 787	51.0	10 623 273	21 607 562	42.7	10 247 834	34.5	12	7 $\frac{1}{4}$	10	11 $\frac{3}{4}$	9	6
1925	95 590 340	55.1	8 520 922	15 407 269	25.6	8 343 140	47.5	14	6 $\frac{3}{4}$	11	10	10	3
1926	95 689 032	49.4	10 552 271	11 517 517	15.7	7 594 958	32.3	13	9	8	10 $\frac{1}{2}$	9	0 $\frac{1}{2}$
1927	109 962 075	47.1	10 855 365	16 375 630	16.6	5 877 511	32.8	12	10 $\frac{1}{2}$	10	9 $\frac{3}{4}$	8	10
1928	102 795 417	51.0	8 213 060	12 925 074	21.0	7 437 150	37.5	11	7 $\frac{3}{4}$	10	11	11	1
1929	110 821 764	36.0	9 616 635	11 950 912	14.4	6 915 271	22.7	10	10 $\frac{3}{4}$	9	0	8	5 $\frac{1}{2}$
1930	103 594 923	40.5	11 554 450	15 187 900	3.8	4 584 021	61.2	8	9 $\frac{3}{4}$	6	0 $\frac{1}{4}$	5	9
1931	118 876 234	42.6	10 573 250	15 367 571	9.9	8 564 528	16.4	5	8 $\frac{1}{2}$	6	2 $\frac{1}{4}$	5	11
1932	104 627 219	67.2	8 423 441	10 121 726	28.4	6 445 694	39.8	6	6	7	5	6	10 $\frac{1}{2}$
1933	111 364 603	67.0	9 743 669	15 965 823	8.9	5 615 331	23.6	5	11 $\frac{1}{2}$	5	0	5	7
1934	101 730 118	56.1	9 379 795	15 461 093	14.9	3 145 357	60.9	5	9	5	3	6	9 $\frac{1}{2}$
1935	100 643 996	54.1	7 974 824	17 090 725	17.6	3 534 516	99.8	6	7	5	8 $\frac{1}{2}$	7	0 $\frac{1}{4}$
1936	99 985 535	83.7	8 364 291	18 292 002	14.3	2 145 037	99.2	8	1	5	9 $\frac{1}{2}$	6	11
1937	95 090 335	65.4	8 524 149	18 172 864	23.7	1 199 726	46.7	11	1	8	6	9	7 $\frac{1}{2}$
1938	100 403 821	63.2	7 665 597	19 872 603	37.5	1 573 469	98.0	8	4	7	5 $\frac{3}{4}$	8	4
1939	105 416 315	45.8	7 325 974	13 737 060	32.2	1 466 490	95.1	5	5 $\frac{1}{2}$	6	2 $\frac{1}{4}$	6	2

1. Annual Statements of the Board of Trade.

2. Statistical Abstract and Agricultural Statistics.

LIVESTOCK PRODUCTION AND POLICY; CATTLE AND SHEEP

The livestock industry was the most important sector of British agriculture in the inter-war years, and the most troublesome for ministers during the 1930s. Government livestock policy was mishandled during the Great War, and resulted in meat shortages which had to be met by control of the industry and by rationing. Thereafter, as with other agricultural produce, concern was expressed about the deficiencies of production and marketing, especially in relation to the lack of attention to quality and the need to reduce and reform the excessive number of livestock markets and slaughterhouses. Although there was much discussion of these subjects few advances were made before the world agricultural depression of 1929-33 severely affected the prices of livestock produce.

The government's response to the depressed domestic livestock industry involved it in entangled and protracted international negotiations throughout the 1930s. The British government left Ottawa in 1932, having imposed a quota structure on meat imports which it reinforced through trade agreements with South America. This restriction proved to be inadequate to the needs of the domestic industry because imports were not generally substitutable with home output, the expansion of which was the major cause of the fall in fresh meat prices in 1931-3. Although the fall in sheep numbers restored remunerative incomes from sheep by 1934, cattle prices remained depressed. However, once farmers expressed interest in a fat stock marketing scheme they were able to attract temporary cattle subsidies. Thereafter the government aimed at introducing a levy-subsidy scheme for cattle producers along the lines of the wheat scheme, but found that it had restricted its choices by the trade agreements negotiated in 1932-4. In the face of determined Australasian and Argentine opposition the government was forced to abandon this approach and to provide instead a direct Exchequer payment. At the same time, in order to avoid the retaliation and friction engendered by the constant wranglings over the fixing of quotas,

the international Meat Conference framework was established so that importing countries might determine the level of their own consignments within various guaranteed limits.

By the Second World War Britain was providing payments for her cattle industry which was supported by import restriction and tariffs, while investigating concrete approaches for the improvement of production and marketing. In addition, because of a renewed fall in sheep prices, the government was on the point of introducing a scheme of payments for fat sheep production.

#### Livestock Production during the First World War

Livestock production during the First World War was subordinated to the "Breadstuffs Policy", and meat policy was concerned with controlling prices and supplies. In the face of shortages of meat and of imported stock feed, a misguided pricing policy was introduced intended to raise domestic fatstock sales, but which caused alarm amongst farmers and in 1917 produced heavy slaughterings. A temporarily high level of meat output was followed by renewed shortages which during the winter of 1917/18 required the control of cattle and sheep sales and a new pricing policy. This had to be followed early in 1918 by meat rationing, and higher guaranteed prices operated until decontrol in 1920.<sup>1</sup>

In 1919/20 the more generous government prices for livestock were prevented from raising the price of home-killed meat relative to imports by a deliberate overcharge on imported supplies. By the autumn of 1919 the cold stores were choked with imported meat bought on long term contracts and no longer required by the army. The consumption of this meat was restricted by its artificially high price and the glut remained. De-control would have meant the end of guaranteed prices and laid the government open

1. See Chapter I. Hammond, R.J., Food, (1962), pp.151-8; Meat (Maximum Prices) Order, 1917; Cattle (Sales) Order, 1917; Sheep (Sales) Order, 1918; Livestock (Sales) Order, 1918.

to charges from cattle producers of a breach of faith, but continued profiteering by the Ministry of Food on frozen meat exasperated overseas suppliers and was unfair to lower paid consumers. Consequently the Ministers decided that imported meat should be decontrolled, although the Ministry of Food continued to pay guaranteed prices to British producers until domestic livestock was decontrolled in July 1920.<sup>1</sup> European demand prevented oversupply in the domestic market in 1922/3 when huge imported stocks still existed, and the high wartime profits had induced development among domestic cattle raisers.<sup>2</sup>

The period of control left little permanent mark on the industry. Hopes that government or co-operative slaughterhouses would encourage the system of deadweight sales<sup>3</sup> were fading by the time the Linlithgow Committee reported in 1923.<sup>4</sup> Less than half the fat cattle sold in 1922 were even weighed but like most fat sheep and pigs were sold by the head, a practice held to favour the dealer against the farmer.<sup>5</sup>

#### Meat Quality and Demand

Consumer preferences among meat types, and seasonal variations in price and availability are important aspects of any analysis of the British livestock markets.<sup>6</sup> British fresh lamb and best beef were the highest quality meats available in the inter-war period, and were regarded as such by consumers. British fresh mutton was also of high quality but was grouped in a second demand category together with lower quality domestic

1. Hammond, R.J., Food, pp.157-8.

2. Econ. Ser. No.6, Report on the Trade in Refrigerated Beef, Mutton and Lamb, 1925, p.54.

3. Report of the Inter-Departmental Committee on Meat Supplies, 1919, Cmd. 456, 1919.

4. Interim Report of the Departmental Committee on the Distribution and Prices of Meat, Poultry and Eggs. Cmd. 1927, 1923.

5. Hammond, Food, p.157.

6. The meat market has been examined on an annual basis by Forrest Capie, 'The British Market for Livestock Products, 1920-39', (Unpublished London University PhD thesis, 1973).

beef, Argentine chilled beef (the best imported meat), and New Zealand frozen lamb - the product which took the freezing process best of all. Consumers regarded New Zealand beef, Uruguayan and Brazilian chilled beef, and Australian frozen mutton as of low quality, and the very lowest quality meats of all were Australian beef and lamb, Argentine lamb, and New Zealand and Argentine mutton.<sup>1</sup>

Meats within each quality category were the closest substitutes for each other rather than different quality meats of the same animal. Thus fresh lamb was a closer substitute for fresh beef than was Argentine beef. New Zealand lamb and Argentine beef were the only products capable of competing with domestic supplies, but because they were preserved meats, they were not considered equal to the domestic product.<sup>2</sup> New Zealand lamb, Argentine beef, and British mutton were good substitutes, and so possibly were British mutton and British lamb. Similarly all the lowest quality meats were substitutable, except New Zealand mutton and Australian beef.<sup>3</sup>

Demand for fresh British beef, mutton, or lamb, and for Argentine chilled beef or New Zealand frozen lamb, which were 'quality' meats, was fairly stable. Demand for individual lower quality meats was much more dependent upon price fluctuations within their category. Consumers of the higher quality meats were more able to face price changes than poorer sections of the community, and individual lower quality meats were far more sensitive to price changes and more readily substituted by a greater variety of other such meats.<sup>4</sup> Changes in the direction of substitutions

1. Capie, 'The British Market for Livestock Products', pp.76-82.

2. Ibid; Capie, F.H., 'Australian and New Zealand Competition in the British Market, 1920-39', Australian Economic History Review, 1978, pp.52-3; Capie, F.H., 'Consumer Preference for Meat, 1920-38', Bulletin of Economic Research, XXVlll, pp.89-90.

3. Ibid..

4. Capie, F.H., 'Consumer Preference for Meat', pp.89-90.

between meats were dependent upon prices and short-term changes in real income, the conservatism of dietary patterns being capable of checking substitutions between quality categories except in the case of a sustained or substantial change in real incomes. Thus fresh lamb was consumed more often in the 1930s when higher real incomes and favourable price levels allowed it. New Zealand lamb was consumed more regularly than in the 1920s as its high quality and lower price overcame former prejudices regarding its frozen status.<sup>1</sup> In the inter-war years demand was moving towards smaller joints and a greater variety of meats; and towards lamb and mutton and away from beef and pork.

British meat prices were largely determined by the total supplies of domestic meat and were little influenced by the volume of specific imports. The total supply of fresh lamb (and possibly fresh mutton too) had a greater effect on domestic beef prices than did imported beef supplies. British lamb prices depended on domestic supply and on fresh beef and mutton prices, with only slight influence from New Zealand lamb. British mutton prices were related to domestic supplies, and to supplies of fresh lamb, and the highest quality imported meats (New Zealand lamb, and Argentine chilled beef).<sup>2</sup>

This pattern of factors affecting domestic meat and fatstock prices was known in the 1930s, but was not evident in policy making until the end of the decade.<sup>3</sup> The fact that supplies of Argentine beef and New Zealand lamb had only a marginal effect on domestic prices, and that the general level of supply was as significant, was not appreciated by the men who negotiated the continuous quota fixing of the 1930s. Initially their belief was that increases in beef supplies depressed beef prices and similarly with lamb and mutton. Only in the late 1930s was it realized

1. Ibid. pp.89-91; MAF 40/97, Dept of Commerce, Mutton and Lamb: Question of Long-Term Restriction, 1935, p.4; Tables L.V - L.VIII.

2. Capie, F.H., 'Consumer Preference for Meat', Table A, 'A Sample of the Principal Price and Income Elasticities', p.88.

3. Prewett, F.J., 'Consumer Preferences : Beef Weights and Prices', Journal of the Ministry of Agriculture, 1933-4, p.223; Econ.Ser.No.39, Report of the Reorganization Commission for Fat Stock for England and Wales, 1934, pp.14-18.



that British sheep and cattle prices moved together and that frozen lamb supplies and prices had little relation to fresh lamb prices.<sup>1</sup> Quota regulation was more important in maintaining imported, and perhaps all meat prices, than for directly 'influencing' the price of any single domestic product.

#### Cattle: Beef and Veal Production and Supply

From 1870 to 1939 there was a 55% increase in English and Welsh cattle numbers and a 26% increase in those in Scotland.<sup>2</sup> The greatest expansion occurred during the depression in the eastern arable areas and in certain midland counties where it was found more profitable to feed grain to stock and to obtain manure, than to sell corn at low prices, without any manurial gains. Wales, with scarcely any arable farming, developed livestock rearing as rapidly as England developed fattening, mainly to provide English feeders with stores but partly to supply finished beasts to the expanding industrial populations of South Wales, the midlands, and south Lancashire.<sup>3</sup> The increase was less in Scotland because she was already well stocked, and because her farming was less affected by the arable depression since oats, her major cereal, were never regarded as a cash crop.<sup>4</sup> Between the wars the value of domestic beef output was second only to that of liquid milk and was 15% of the value of UK off-farm sales during 1923-38.<sup>5</sup>

After the Great War many farmers found milk production more profitable than beef, and the fat cattle section of the industry remained relatively static until after the Ottawa Conference in 1932, and was at a similar

1. MAF 31/15, Livestock Commission, Policy in Relation to Changes in the Rates of Cattle Subsidy..., 16 Dec. 1938, pp.1,4.

2. Agricultural Statistics,

3. Astor and Rowntree, British Agriculture, p.44.

4. Astor and Rowntree, British Agriculture, p.45.

5. Table F.IV.

level in 1939 as in 1911-13.<sup>1</sup> Good British beef served the highest category of the market and as a luxury item could not expand without prices falling, and cow beef was a disturbing factor in the market.

London and the southern counties came to prefer Argentine chilled beef imports and although the north still bought domestic beef, protracted and widespread unemployment seriously impaired purchasing power and reduced demand there.<sup>2</sup> In Scotland where milk was not so readily an alternative and beef quality was generally higher, the lower rate of growth was maintained.

The domestic cattle industry was divided into two main areas: the breeding and stock rearing side, and the feeding section. These were largely carried on by two separate groups of producers in different parts of the country, each with divergent interests, for the product of the rearer was the raw material for the feeder. In addition, about 40% of British beef came from cows no longer required by the dairy industry, and all veal was supplied by male dairy calves. Thus only just over half the home-produced beef and veal was produced specifically for meat.<sup>3</sup>

1. Tables L.III and L.IV, 'Other Cattle'.

2. Astor and Rowntree, British Agriculture, pp.44-5.

3. Of approximately 3m. calves bred every year in Britain, about 1m. were killed for veal. The remaining 2m. were reared with about 0.5m. imported store cattle; 1.5m. being fattened and slaughtered for beef as fat bullocks or fat heifers. The remaining 1m. were required for replacing the foundation stock of breeding and dairy herds, joining the meat market in two to four years as fat cows. Thus the supply of fat cattle in any one year was derived from the one-year-and-under-two-years, and two-years-and-over classes in the previous June census. The supply of milk cows and heifers-in-calf was drawn from the one-year, and one-year-and-under classes of the previous year. These figures included any imported cattle in the country in June, but not the large numbers of Irish grass-fed cattle imported for immediate slaughter during August to January. Astor and Rowntree, British Agriculture, p.182; MAF 31/21, MO 7048, LC 93, Review of Long Term Trends, 5. 4. 39., p.1.

The greatest numbers of cattle were produced in the west-midland counties from dairying and summer grass-fattening enterprises, but a large number were winter stall-fed in the eastern counties.<sup>1</sup> Generally cattle were bred and reared on family farms in the remoter parts of the country, on cheap land and with little expenditure on hired labour or purchased feed. This accounted for the poor quality of most store cattle and the breeders' ability to survive depression better than the feeder. Most store stock came from Wales, Ireland, and the upland areas of Scotland, but also some Canadian cattle were imported.<sup>2</sup>

Breeding and rearing were quantitatively and qualitatively the most important sections of the industry, the animal requiring two years to rear but only six months to fatten. The choice of breeding stock and standard of feeding determined the ultimate quality of the progeny. However, too few bulls or cows were selected for breeding with reference to their beef performance record, and too many were bred from dairy cows selected for their milking capacity. Genuine dual purpose cattle such as shorthorns were in decline as farmers turned to dairy bulls for higher yields, and many 'pure' dairy farmers whose herds were not self-contained used any bull to get the cow into milk, the value of the calf being negligible compared with the milk output.<sup>3</sup> This tendency increased after the milk marketing schemes made milk production more profitable in remote districts. In Scotland the value of premium bulls was still recognized and British stock was also maintained by using Irish store stock (whose quality improved in the period), bred for Britain's fatteners. However, breeding continued to

1. MacDonald, C.J.B., 'Meat Production in the Grass Counties', JRASE, 1927, pp.33-45; Peel, W.R., 'Stock Farming on Arable Land', JRASE, 1923, pp.29-38.

2. Table L.IX.

3. Econ.Ser. No.39, Report of the Reorganization Commission for Fat Stock for England and Wales, 1934, p.61.

be conducted in a far more indiscriminate and uninformed manner than feeding, producing great unevenness of quality.<sup>1</sup>

Indifferent feeding and mangement, especially during the first year, had adverse effects upon the conformation and quality of store cattle, which comprised two-thirds of the cost of fat cattle production. Most animals grew but did not fatten during this time and hence were not ready for slaughter until  $2\frac{1}{2}$ - $3\frac{1}{2}$  years old at the heavy weight of about 12 cwt. liveweight. However, dual purpose or beef calves properly fed from birth during a shorter store period could be sold at a better fat weight of  $9\frac{1}{2}$ -10 cwt. at  $1\frac{3}{4}$ -2 years old.<sup>2</sup> There was also much scope for the improvement of pastures and for supplementary feeding. The prolonged store period was inefficient, being responsible for slow and more costly maturity, accentuating faults in conformation and ultimately in carcass quality due to low grade parent stock and inefficient rearing in the calf stage.<sup>3</sup>

Cattle were fattened either on summer grass or were more expensively winter-fed on arable farms. The eastern midlands was the most important grazing area, while yard feeding was centred on the eastern counties, notably in Norfolk, but both methods were practised across the country. Fodder roots were being replaced by cash crops on arable farms in the 1920s and more feed was purchased. Sugar beet pulp and tops could double a farm's stall-feeding capacity, make farmers less dependent upon mangolds and straw, and increase their ability to adopt more flexible rotations. Winter stall feeding was more readily combined with other farm enterprises than grazing, however, but was much less responsive to price changes. Stall feeding had to be undertaken even when wholly unprofitable, because otherwise the arable farmer would have to restructure his whole system.

1. Astor and Rowntree, British Agriculture, pp.183-4.

2. Econ. Ser. No. 39, Fat Stock, p.60.

3. Ibid..

Arable milk and pig production were partly substitutes in systems for yard-fattened beef, but there was nothing like such a change-over during the inter-war years to grass fed cattle as from yard fed to grass fed sheep, because the cattle manure was a far more valuable part of the arable enterprise.<sup>1</sup>

The other source of beef was from dairy herds. However, dairy bulls, cows, and heifer calves were not suited to good beef production. Where farmers bred their own heifers it was natural that dairy bulls should be used, but other farmers purchased down-calves to replace wastage.<sup>2</sup> In these herds, cows were calved to obtain milk without regard to the calf's quality. A considerable improvement in quality stores could have been attained and a larger proportion of calves have been worth rearing if beef bulls had always been used. In the event an increasing number of store cattle were used for dairy herd production as milk output expanded in the period. A reduction in the excessive waste in dairy herds due to disease, by reducing the turnover of milk cows entering the beef market, would have reduced the proportion of cow beef in the total and allowed a commensurate expansion or price rise in the beef industry. Although herd cleansing in the 1930s was a move in this direction, cow beef probably remained about one-third of total beef supplies.<sup>3</sup>

The two systems of summer grass and winter yard fattening worked together with the relatively level seasonal supply of imported meats to give a supply of beef which was reasonably well adjusted to seasonal demand.<sup>4</sup> Being a heavy meat, beef was consumed mostly during the winter. Monthly supplies of home killed beef varied to a far greater extent than imported

1. Astor and Rowntree, British Agriculture, pp.184-5.

2. Down calves were calves produced in dairy herds as part of the process of getting a cow into milk, which were then sold on the market because they were not required to maintain the dairy herd.

3. Econ. Ser. No. 39, Fat Stock, p.61.

4. Ibid. p.12.

chilled supplies.<sup>1</sup> There was a peak during October to January which at its maximum was 50% greater than supplies in June, and very little was supplied in the first six months of the year.<sup>2</sup> In the early part of the year shipments from the southern hemisphere's autumn peak were arriving, balancing the falling domestic supplies. British grass-fed supplies, the earliest of which may have been started in yards, entered the markets in June and July and increased until the grass failed in the autumn.<sup>3</sup> Some producers, owing to their lack of funds, were unable to finish their beasts on concentrates, and sold them in a half fat condition. Other animals were finished on arable farms and entered the market in the latter half of the season, until January.<sup>4</sup> Irish fatstock supplies, being entirely dependent on grass, aggravated the seasonal pattern, and although Canadian fat cattle imports did not show this seasonality, they were of inconsiderable volume.

The decline of arable farming between the wars caused a reduction in the number of winter and spring yard-fed cattle, though this also resulted from the higher cost of labour and root feeds.<sup>5</sup> During winter and spring, imports of lower-priced chilled beef competed with domestic stall-fed stock. The price of all domestic meats was high at this time of year, whereas Argentine chilled beef and New Zealand frozen lamb were cheapest and might have been competitive then.<sup>6</sup> The arable decline also accentuated the

1. Ibid. p.13.

2. Ibid..

3. Ibid..

4. Ibid..

5. Econ. Ser. No.20, Report on the Marketing of Cattle and Beef in England and Wales, 1929, p.135.

6. Econ. Ser. No. 39, Fat Stock, p.14.

autumn glut by forcing the sale for slaughter of unfinished cattle that would have been transferred from grass farms to yards, thus reducing prices by augmenting the inferior supplies on the market. This sometimes produced scarcity in the spring, pushing up domestic prices, and consumers may then have purchased more chilled beef.<sup>1</sup>

As a result of such trends the best British beef was losing its hold on the first place in the market, except in the case of its very highest qualities. The home-killed trade was in a much sounder position before the First World War when there was a more constant seasonal supply of cattle and Argentine chilled beef imports had not made yard feeding more speculative. These imports increased autumn supplies and reduced winter beef.<sup>2</sup> Although arable farming was supported by the beet, wheat, and cattle subsidies, and the potato scheme, any consequent improvements for the fat cattle trade were probably cancelled by the extension of milk production.

One favourable trend was the move, especially in the 1930s, towards producing cattle suitable for providing the smaller joints then preferred by consumers. Consumers were eating more of the different types and smaller joints of meat. Farmers were finishing cattle at a younger age in response to changes in demand, and also because this allowed lower costs and a quicker turnover. This was a necessary reaction to a depression of falling prices where there was a long economic lag in production. Suppliers of the best class of family trade were regarding 9½ cwt. as the most useful liveweight, and by the 1930s beef cattle were finished at two years or less and 8-10 cwt., and Irish stores were selling at 18 months instead of 30.<sup>3</sup> Some farmers experimented with baby beef production, but it did

1. Econ. Ser. No. 20, Cattle and Beef, p.135.

2. Econ. Ser. No. 20, Cattle and Beef, p.136.

3. Econ. Ser. No. 39. Fat Stock, pp.60, 62.

not obtain widespread popularity, partly due to the difficulty of organizing summer yard fattening on arable farms.<sup>1</sup> The demand for large joints was insufficient to absorb the supplies of heavy cattle above 11 cwt. except at very low prices. However, they fattened quickly on summer grass, and took strong pastures better than young cattle.

The dominant factor determining home killed cattle prices was the domestic supply and quality. Imported Argentine chilled beef served a slightly lower class of the market and commanded lower prices. Chilled beef prices fell during the domestic autumn glut (although imports were lower then), probably due to a seasonal switch of consumption to cheap British beef. The higher domestic beef prices in spring reflected the higher cost of winter feeding. It would appear that the highest quality domestic beef met a different class of trade from that of the lower qualities, the latter alone showing some degree of substitution with Argentine chilled imports when British prices were at their seasonal peak and trough.<sup>2</sup>

Imported beef supplies had increased rapidly from 1870 to 1914, and after falling during the War rose until 1923 and remained fairly stable, although they were slightly reduced following the Ottawa and Argentine Agreements.<sup>3</sup> In 1909-13 British beef and veal accounted for just over half of the UK market. Between the wars domestic supplies comprised 43-49%, and were at a higher level in the 1930s.<sup>4</sup> Argentine supplies were rising until 1927 and fell thereafter, while Antipodean supplies were increasing.<sup>5</sup>

1. Astor and Rowntree, British Agriculture, p.187.

2. Agricultural Statistics; Annual Statements of the Board of Trade.

3. Annual Statements of the Board of Trade; Perren, R., The Meat Trade in Britain, 1840-1914, (1978). Capie, F. and Perren, R., 'The British Market for Meat, 1850-1914', Agricultural History, Oct. 1980; Table L.VI.

4. Tables L.V. and L.VI; Capie, F., 'Australian and New Zealand Competition in the British Market, 1920-39', pp.54-5.

5. Ibid.. The proportion of Empire supplies doubled after Ottawa.



The USA no longer sent significant quantities after the War owing to its own rising domestic consumption. South America was the only supplier of chilled beef until developments in long-distance freezing techniques, mostly from 1934, allowed the development of the Antipodean and South African trade.

Initially, imported beef by reason of its comparative cheapness and lower quality, found a new demand among the poorer classes rather than displacing existing demand for home-killed supplies. However, improvements in quality and handling, especially of Argentine chilled in the 1920s, accompanied by a fall in the proportion of first quality domestic beef, had the result that although the better qualities of home beef were of an unrivalled excellence, imported Argentine chilled beef was penetrating the best class of trade in the large centres of consumption.<sup>1</sup> This was helped by lower overseas production costs, efficient centralized slaughter, and the close adaptation of supplies to the British market through the frigorificos (Argentine meat exporting companies) and Antipodean exporting boards.<sup>2</sup>

During the Great War cattle prices increased more than the average of all agricultural prices as a result of shortages, despite the government price controls in 1917-20. Cattle prices and fattener's incomes then fell from the 1920 peak to a low point in 1927/8<sup>3</sup> as a result of the rise in domestic beef and sheepmeat production and Argentine beef imports. Incomes rose slightly on grass farms as these trends were reversed in 1928/9 to

1. Econ. Ser. No.20, Cattle and Beef, p.5.

2. Capie, F.H., 'The First Export Monopoly Control Board', JAE, 1978, p.133 passim; Econ. Ser. No.6, Report on the Trade in Refrigerated Beef, Mutton, and Lamb; 1925.

3. Table L.I; Graph F.IV.

1930/1.<sup>1</sup> Argentine supplies had a seasonal but not an annual impact, for although they continued to fall as a result of changes from cattle to maize production, British beef producers' incomes declined after 1930/1 as the domestic beef and sheep populations stabilized or began to rise.<sup>2</sup> British beef producers' incomes were also falling as world beef prices fell and consumer purchasing power for the better quality British meats was reduced during the depression.<sup>3</sup> The profits of 1930 were reduced, and although the Empire supplied only 14% of beef and veal imports in 1931, it was decided that beef supplies and regulation would be placed on the agenda at the Imperial Economic Conference.<sup>4</sup>

Sheep: Mutton and Lamb Production and Supply

The number of British sheep underwent marked fluctuations from the mid-nineteenth century until the Second World War. In 1870 it stood at 28.4m., fell to 25.1m. in 1911-13, and further decreased during the War to reach 20.5m. by 1920.<sup>5</sup> It then rose to a peak of 26.4m. in 1932 and after a short decline reached 26.0m. in 1939.<sup>6</sup> There were notable regional variations to this pattern, for while Scottish and Welsh gras-fed sheep numbers increased, English arable flock numbers were reduced.

1. Graphs F.III and F.IV; Tables L.I, L.V, and L.VI.

2. Graph F.IV; Tables L.III, L.IV and L.V.

3. London and the southern counties came to prefer Argentine beef, and while northern England still bought home produced meat, demand for this high quality beef was reduced by unemployment and the depression. Astor and Rowntree, British Agriculture, p.45.

4. Table L.VI.

5. Agricultural Statistics.

6. Tables L.II-V.

In England, the sheep and barley combinations, once the mainstay of mixed farming on the chalk uplands of the south and east, and on the west midlands plateau, were in decline in the inter-war years. This was due to the relative unprofitability of barley and other cereals, and the progressively rising labour costs which were a significant factor in producing arable crops and in the folding and watering of flocks. The heavy slaughterings during the War also encouraged the movement of sheep production northwards and westwards away from land south of the Trent and Severn. When normal trade was restored farmers found great difficulty in maintaining their traditional systems, although abler farmers could still make sheep pay. Consequently many farmers turned from the mixed arable sheep systems with turnips and swedes, to mixed grass and dairy herds (especially in Wiltshire, the Dorset Downs, Lincoln and York Wolds), or else to cattle feeding and sugar beet.<sup>1</sup> Sheep farming became concentrated on the Lincoln and York Wolds, the Cotswolds, East Anglia, and the southern chalklands, the sheep providing some dung and 'treading' the soil as they fed on roots.<sup>2</sup> Arable raised sheep, however, were often marketed more in line with the dictates of crop rotations than their readiness for sale.<sup>3</sup>

The grass sheep industry was found principally in the rich grazing areas of Northampton, Romney Marsh, and the Devon valleys, and was intermingled with breeding in Wales, Scotland, and the north. The substitution of grass for arable feeding represented a movement from an intensive to an extensive system because an equal quantity of food could not generally be obtained from grass, and stocking could not be as heavy owing to the risk of disease. However, grassland sheep afforded higher profits than

1. Graph. F.IIIa, types M, N and I, and Map F.I.

2. Map F.I.

3. Econ. Ser. No.29, Report on the Marketing of Sheep, Mutton and Lamb in England and Wales, 1931. p.156.

arable sheep, due to lower feeding and labour costs and greater returns from wool, for a larger proportion of grass sheep than arable sheep were sheared. This was a major cause of the trend towards longer grass leys in the 1920s. Sheep were also kept on medium-sized farms to fill odd corners, and like pigs were often associated with orchards. Scottish sheep systems, depending less upon the sale of corn crops, increased rapidly on the arable eastern farms so long as sheep and wool prices did not collapse at the same time. Equally, the limited openings in the Scottish milk market restricted opportunities for dairy production as an alternative to declining incomes from arable farming in Scotland.<sup>1</sup>

By the 1930s sheep were found mostly in Wales, the border counties, Romney Marsh, and the Lothians. Breeding was becoming centred largely on the borders as Downs arable sheep made way for Border-Leicesters and cross-breeds which fattened better on grass. There was a fairly wide distribution of breeding over the country and the store trade was generally more localized than with cattle, as different breeds were supposedly specialized for local needs. The store trade in sheep was also smaller than that for cattle, especially with the decline in winter feeding and the substitution of fat lamb production in its place. There was considerable scope for improved breeding and management where arable farming was giving place to grass sheep farming.

The need for intensive production improvement was not so insistent with sheep as with cattle. Breeding stores did not suffer from any dual requirements for sheep as with beef and milk cattle, but pedigree breeders were too concerned with the export trade in prize animals, and farmers practiced indiscriminate crossing to get lambs as cheaply as possible. However, despite the great number of breeds and crosses which made uniformity of supply and marketing difficult, the proportion of inferior varieties of mutton and lamb was low. The Livestock Improvement Scheme and Premium Ram

1. Astor and Rowntree, British Agriculture, p.46.

Scheme were intended to produce more suitable pedigree stock and reduce the number of types.

The turnover of sheep production was faster than for cattle, but like cattle the fattening period was being steadily reduced in response to consumer demand for smaller, leaner joints. The demand for lamb, just below that for mutton in the early 1920s, doubled to become over three times as great by the late 1930s. The fall in the age of slaughter was due also to the great decline in the importance of British wool. Wool was an equal partner to mutton in the 1920s, but became only a by-product to meat after the two-thirds fall in price from 1929 to 1932.<sup>1</sup>

During the inter-war years there were on average 10m. ewes in Great Britain, producing 11m. lambs annually, many of which were killed off before the June agricultural returns. About 6m. were slaughtered as lamb at 40 lb. dressed carcass weight, 2½m. were slaughtered after a year as mutton at 60 lb. dressed carcass weight, and 2½m. remained for breeding, finally entering the market as four to five-year-old ewe mutton. The remaining 3-4m. sheep comprised one-year-olds, a few three-year-olds, and 200 000 rams.<sup>2</sup>

The best class of the sheep meat trade was met by home-killed supplies,<sup>3</sup> frozen New Zealand lamb being the only potential rival. While home production made up some of the ground lost during the war, imports expanded rapidly and lamb took up the predominant position formerly held by mutton.<sup>4</sup> This was due to consumer preference for lamb, improved 'quick freezing' techniques in the Antipodes which supplied most imported sheepmeat, and also to the change in sheep production from wool to meat.<sup>5</sup> The domestic producer monopolized the fresh market, especially after the 1926 foot and

1. This development reduced the number of Lincoln sheep in favour of cross-breeds, Astor and Rowntree, British Agriculture, p.201; Table L.II.

2. Ibid. p.202; Agricultural Statistics.

3. Astor and Rowntree, British Agriculture, p.208; See also Capie's analyses.

4. Tables L.V. L.VII, and L.VIII.

5. Econ. Ser. No.29, Sheep, Mutton and Lamb, p.155.

mouth embargo on continental supplies which left only small imports from the Irish Free State. However, in the 1920s, the best quality New Zealand product commanded better prices than the lowest quality English, and was better suited to provide small lean joints.<sup>1</sup> The New Zealand Meat Producers' Board, set up by the government after the 1921 price fall, was responsible for planning and grading sheepmeat and beef exports to meet British demand and was more successful than the Australian Meat Council. This also operated from 1922 but only as a voluntary advisory establishment promoting meat, until it was converted into a more powerful Meat Board in 1935/6. British production was somewhat slower in responding to changes in demand. Imports of mutton and lamb showed a continual rise from the 1880s, except during the War, and Empire lamb consignments came to take a greater proportion of total supplies.

The seasonal peak for the marketing of domestic sheep occurred from October to January, and was followed by a sharp drop in February, before a gradual rise to the autumn.<sup>2</sup> Mutton and lamb were lighter meats than beef or pork and the peak of demand occurred in the summer. The flow of supplies increased with the marketing of milk-fed lambs in May, and since sheep were widely produced on grass the increase in supply continued throughout the summer to the September-November peak, with lamb sales coming from uplands where there was insufficient keep for winter fattening. From December to April the market had to rely on the smaller mutton supplies from the declining arable sheep industry.<sup>3</sup> The volume of fat animal imports was very small.<sup>4</sup>

Domestic fat sheep prices fell from August to November, and continued to fall despite substantial reductions in supplies, as demand was reduced

1. Ibid..

2. Econ. Ser. No.39, Fat Stock, pp.14-15.

3. Ibid. p.15.

4. Table L.IX.

from its summer levels. Prices then rose slightly from late December and then more steeply to a spring peak, reflecting arable fatteners' higher costs. Supplies and prices of imports were highest in April to June. Imports were then below average from August to November and continued to fall in December with lower than average prices.<sup>1</sup> The cause of this was consumer preference for heavier winter meats in November and December, when the heavy supplies and falling prices of home-killed beef had an overriding effect on the market for domestic mutton and lamb.<sup>2</sup>

In addition to being the world's major importer of meats, Great Britain had an outstanding position as the world's entrepôt wool market, re-exporting over 40% of her wool imports. Most of the world's wool was produced in the southern hemisphere and sold in the northern, and the London market was governed by world prices, the declining British output averaging only 121m. lb. during 1926-30 compared to imports of 918m.lb.<sup>3</sup> Only co-operative wool marketing gave domestic producers favourable returns as afforded by bulk grading, packing and transport to London; the six major organizations being the Scottish Wool Growers Ltd., and those at Ashford, Chichester, Ipswich, Banbury and Stamford.<sup>4</sup>

In the 1920s mutton and wool prices were high and steady after a fall in production during the War and the depression of 1921/2. Wool producers kept as many sheep as their pastures would carry and were keen competitors with meat buyers at stock sales. However, after 1924, world wool production exceeded demand, resulting in a sharp price fall, especially in 1932, leaving prices half their 1920s levels. Sheep produced for wool in Australia, New Zealand, and Argentina entered the world's meat markets as

1. Econ. Ser. No.39, Fat Stock, pp.16-17.

2. Ibid. p.17.

3. Econ. Ser. No.35, Report on the Organization of Wool Marketing, 1932, p.19.

4. Swainson, F.C.J., 'Wool Marketing under Co-operative Methods', JRASE, 1931, p.231.

lower grade mutton in 1930-2.<sup>1</sup> British sheepmeat imports were at their highest level for the period in 1931-2 as imports of lamb that might have been raised as sheep for wool also entered the market.<sup>2</sup> As domestic arable sheep and wool producers reacted to the depression, British mutton and lamb prices showed a similar decline.<sup>3</sup> The price collapse was a direct response to the volume of domestic sheep slaughterings rather than the increase in imports, and resulted from the trend of wool prices and falling purchasing power for luxury meats. Imported meats, including even New Zealand lamb, were probably not substitutable for fresh domestic supplies at this time. Fat sheep producers' incomes which had been rising after a fall until 1926/7, slumped disastrously in 1931/2 and 1932/3.<sup>4</sup> Imported supplies were largely blamed for this, and sheepmeat was included with other meats in the Ottawa agenda.

#### The Marketing, Sale, and Slaughter of Livestock

The marketing of fat and store stock was beset by problems similar to those of other agricultural commodities, although the supply of meat and behaviour of meat prices in the market produced different effects from those of other farm commodities. In a period of depression farmers with extensive crop systems tended to aim at expanding their output in order to escape reduced incomes, but for farm commodities with elasticities of demand lower than unity, prices and gross incomes were reduced. Meat producers, with produce having elasticities higher than unity, might raise their incomes only by increasing their turnover or selling capital assets in the form of livestock. The former alternative required more investment in an area of dubious profitability, or in badly fed fat beasts, and was usually disregarded

1. Econ. Ser. No.6, Beef, Mutton, and Lamb, p.56; Table L.II.

2. Tables L.VII and L.VIII.

3. Table L.II.

4. Graph F.IV.



in favour of increased sales, which added to the price fall until slaughtering caused a shortage of stock and thereby increased prices. Because animals took longer to produce than most crops their producers suffered more in a general price fall, and herds and flocks took longer to rebuild. Thus fluctuations in prices and supplies occurred over longer periods than for other farm produce.<sup>1</sup> However, because the price elasticity of quality fresh meat especially was greater than unity, consumer demand was reduced more than with other agricultural produce in a period of high prices resulting from shortage. Gross receipts would then fall instead of rise, and over a longer period, although profits were also related to production costs.

There was no unified system of marketing livestock in this period, and there were an excessive number of markets, auctioneers, and dealers, and inefficient methods of sale. The lack of suitable market intelligence in the 1920s caused 'blind' movements of stock in search of a reasonable market and severe regional fluctuations in supply and price.<sup>2</sup> The import trade, however, was much better organized into a few large supplying organizations.

The major form of sale was by head and by liveweight at auction. This was efficient where markets were large enough but was weakened by the existence of redundant markets and extreme variations in weekly turnover. Where lists of entries were advertised producers became quainted with levels which would depress the market and knew when they might obtain suitable prices.<sup>3</sup> Sales by private treaty (by head or live-weight, at markets or on the farm, to butchers, dealers, and farmers) were widespread, but placed farmers at a disadvantage in having a weak bargaining position and no knowledge of available prices. Sales by deadweight to butchers on a

1. Graph F.IV.

2. In the 1930s cattle market prices were announced on the radio in the evening.

3. Econ. Ser. No. 39, Fat Stock, p.41.

commission basis were often unsatisfactory because they involved slaughter before the price was fixed, and because commission salesmen might also handle their own meat, and after disposing of that had every incentive to sell as much as possible with little regard to price or the depression of the market. Commission sales always came off worst when prices were falling. Most dealers indulged in speculation, although some gave a valuable service by transporting stock across the country from breeding to fattening areas.<sup>1</sup>

Even before the Great War imported carcasses were graded as a necessity for good business, allowing firms to meet differing demand with meat of suitable quality, and also allowing them to buy without inspecting the purchase. Before the National Mark Scheme there was no system of domestic meat grading other than at a few very large markets. The National Mark Beef Scheme, which commenced in October 1929 in London, Birkenhead, and Birmingham, was intended to give consumers a visible guarantee of quality and origin, thereby stimulating consumption, and also to help retailers by offering a national certificate of merit. It might also enable wholesalers to sell a guaranteed article at steady prices. It was hoped that this would encourage the sale of home-killed beef, strengthen the market for higher quality meat and stimulate an improvement in the quality of stock.<sup>2</sup> In 1930 the Ministry of Agriculture introduced a scheme for the sale by deadweight and grade in association with the Beef Scheme's liveweight grading activities. Under this scheme butchers could quote prices on a deadweight basis according to the appropriate national grade for the beast. Farmers thus obtained price quotations in advance and knew that the animal would be dressed and graded to a known standard and also that a fair price would be paid for cattle, which were slaughtered directly with no weight loss. The scheme showed the class of cattle in demand at each centre, and included insurance provisions against loss from carcass

1. Ibid. pp.37-8.

2. Ibid. pp.66-7.

condemnation.<sup>1</sup> However, farmers were slow to adopt it, except in London and Birmingham, partly owing to it being insufficiently known, because many farmers were committed to dealers and auctioneers for credit, partly as a result of farmers overrating their cattle, and since occasional bad prices produced disproportionately bad publicity.<sup>2</sup>

In June 1933 the National Mark Scheme was extended to sheep, again with little success, except in Scotland and south western England. Most livestock continued to be sold by the head, and although liveweight sales increased the volume of deadweight marketing was extremely limited throughout the period.

Slaughter was carried out by public 'amalgamated abattoirs' which were private slaughterhouses collected under one roof, easing supervision and co-operation in the sale of offals and hides; and by large public or private factory abattoirs operating in large towns. Both of these had advantages of scale and a nearby market. There were also many one-man country butcher-slaughterers. It was concluded in 1932 that in towns, both private and municipal abattoirs merely providing facilities for slaughter should be superseded by regional slaughterhouses in which the whole process was under a single management, and all other private concerns should be abolished.<sup>3</sup> Appearing inopportunistly at a time of national financial crisis these proposals had to await the 1937 Livestock Industry Act, although many enlightened local authorities erected or enlarged their own abattoirs.

Meat retailing expanded in the inter-war years as imports increased, and there were greater varieties of cuts and qualities available to a wider consuming population. However, meat distribution costs were increased as a result, being higher than before the Great War,<sup>4</sup> although the trade was

1. Ibid. p.68.

2. Ibid.; Astor and Rowntree, British Agriculture, p.189.

3. Economic Advisory Council, Report of the Committee on the Slaughtering of Livestock, 1933.

4. Report of the Linlithgow Committee, Meat Poultry and Eggs, Cmd.1927,1923

increasingly able to deal only in the meat suited to its clientele instead of slaughtering and selling the whole animal in the traditional pattern of the butchering trade. Otherwise, apart from the problems of displaying quality to customers, the retail trade was relatively efficient.

From 1911-13 to 1938 total UK meat supplies increased by 4.0% while the population rose 4.5%, yet domestic output fell by 11.5% and imports rose 26.4%.<sup>1</sup> Powerful import organizations selling standardized meat penetrated deeper into the domestic market but the British farmer did not meet the rise in demand because luxury fresh meat demand was not expanding as fast as general consumption, and many consumers preferred the standardized quality of imported meats to low-grade domestic output.

Seasonal marketing problems were related to the autumn glut of supplies. The total annual supply of butchers' meat was steady from month to month except for a rise in domestic supply from August with a sharp peak in December and January. The overall seasonal regularity was due to the importance of supplies from the southern hemisphere which fluctuated mildly and inversely to home production. Some price stability was allowed to domestic producers as demand was reduced in the summer, when mutton and lamb were preferred to beef or pork. Although natural, economic, and dietetic factors eased the situation slaughterings rose 20% above the average from October to January. Consequently for all meats except pork, wholesale prices were lower in October to December than at any other time of year, and one-third below summer prices.<sup>2</sup>

The heavy autumn supply aggravated marketing and production problems which had in turn pushed farmers into selling in these months. Stock fattened on summer grass entered markets at the end of the season, and although this natural tendency reduced prices it still afforded profits.

1. Beef, veal, mutton and lamb, pork, measured in cwt., Prest, Consumer Expenditure, pp.18-20, and Stone & Rowe, Consumers' Expenditure and Behaviour, Vol.I, p.50, Vol.II, p.147. Home production supplied 59.1% of the total in 1911-13, but this proportion fell to 50.3% in 1938.

2. Econ. Ser. No.39, Fat Stock, p.12.

Before the War and during the early post-War years these stock were bought for yard fattening and sale at higher spring prices. However, increased imports in the spring of good quality Argentine chilled beef and New Zealand lamb reduced the profitability of this venture as did the general arable decline, which meant that half-fattened stock were not winter-fed and were sold for meat when the grass finished. The increased load of poor quality meat on the home market, together with Irish fat cattle imports, accentuated the autumn problems, and depressed prices. The adoption of pasture research developments in the 1930s, involving new plants, cultivation, and grazing methods, not only allowed an increase in the stock-carrying capacity of the land, but also extended the grazing period and spread autumn sales further into the season, but the strong seasonal pattern was a regular feature of the period.

#### The Regulation of Meat Imports, 1932-4

The world agricultural depression which commenced in cereal production, moved into a second stage centred on livestock produce as farmers moved from grain to animal and other enterprises. In Great Britain declining beef and veal production was affected less by the mild rise in chilled and total beef imports in 1931 than by the rise in fresh lamb production in 1931-3 and in mutton in 1932-3.<sup>1</sup> However, the rise in beef and lamb imports in 1931, especially Argentine chilled beef and New Zealand frozen lamb, was blamed for the fall in domestic prices rather than the increased supply of domestic fresh meat at a time when consumer purchasing power for higher quality fresh meats was reduced by the depression. Although it was clear that meat would be an important issue at Ottawa, Britain did not prepare a stance in the pre-Conference discussions.

In these discussions three suggestions were raised by Australia.<sup>2</sup> Britain could impose meat duties, which would probably not meet her needs, or impose a quota, or as Australia preferred, impose a duty-quota scheme

1. Tables L.V-VIII.

2. These were from F.L. MacDougall, the Australian agricultural expert.

aimed at severely restricting Argentine meats. Australia proposed a quite unrealistic 90% reduction in 'normal supplies' with penal duties on excess shipments. Meat earned 20-25% of the export revenue of New Zealand, and she was also enthusiastic about a quota system for non-Empire goods and wanted it extended to dairy and horticultural produce. She also indicated that she would make substantial concessions to Britain for the removal of mutton and lamb from the Import Duties Act's 'Free List'. Canada had sent no meat to the UK, very little bacon, and no live cattle since the 1926 sanitary embargo. She was more concerned with a general tariff adjustment in favour of Empire producers.

These proposals were discussed at the Conference. Chamberlain favoured voluntary multi-national production controls which later formed a framework for the International Meat Conference, but had an indirect influence on the Ottawa Agreements.<sup>1</sup> The Dominions initially asked for duties on all meat and canned meat, especially lamb, a 43% cut in foreign sheepmeat purchases, a 10% cut in foreign chilled beef, 40% off foreign frozen beef, and similar reductions for pork and bacon. Dominion meat was not to be controlled.<sup>2</sup> Chamberlain's scheme was anathema to Australia, New Zealand, and South Africa who were interested in embarking upon a chilled beef trade, and who believed that cheap Argentine chilled beef had damaged the British market for their sheepmeat and frozen beef. Canada lacked the legal authority to impose export controls to which Bennett was in any case ideologically opposed. Chamberlain and Hailsham were sure that the Antipodean Dominions would accept a restriction plan only if foreign meat was taxed, but Ramsay MacDonald reminded them that excessive protection would split the Cabinet.<sup>3</sup> After considerable negotiations the

1. Drummond, I.M., Imperial Economic Policy, p.254.

2. Ibid. p.255

3. Ibid. p.259.

Dominions were informed that no duty would be considered. This produced protracted wranglings and Australian threats of withdrawal, for like New Zealand, Australia had misconstrued British telegrams which had rejected duties on beef but offered to consider them for other meats. The final bi-lateral agreements showed Britain's successful evasion of a meat duty but acceptance of a five-year programme of guarantees to the Empire and of import controls for foreign beef, veal, mutton, and lamb.<sup>1</sup>

The Dominions concurred with the British delegation that the principles of meat policy were to secure the development of domestic meat production and to afford the Empire a rising share of the import trade. Consequently Dominion meat imports were largely stabilized while foreign supplies were subject to a programme of restriction. However, the Antipodean governments undertook to restrict their mutton and lamb exports in 1933 to the level of the Ottawa Standard Year of July 1931 to June 1932 (OSY). New Zealand was allowed 200 000 tons for the year ending September 1933 with a 5% increase for each of the two successive years. Australia promised to limit her frozen beef exports to 10% above the OSY, and New Zealand estimated that her consignments would be similarly expanded in 1932-3. Canada was allowed 2.5m. cwt. of bacon per annum (more than she had ever sent) and was freed from veterinary restrictions on her live cattle. Britain agreed not to impose quotas on Empire meat until July 1934, or duties until July 1936. From January to June 1934 Britain could not restrict Dominion meat, and thereafter she was committed to giving the Dominions an "increasing share" of the market. Foreign chilled beef imports, principally from the Argentine, were restricted from January 1933 to the OSY level (93% of average 1927-31) levels). Foreign frozen beef, veal, mutton, and lamb were to be restricted by 5% quarterly stages down to 65% of the OSY figure in mid-1934, when they would be stabilized until December 1937.

The Agreements reflected the lack of forethought by Great Britain, and the Dominions' intention to retain the advantages they had. The Empire left

1. Ottawa Agreements Act, 1932.

Ottawa with requests to keep shipments to the OSY level — a level that was extremely favourable to the Dominions. Britain was soon to regret having tied her hands, and came to believe that this level of restriction was not adequate.

Chamberlain made quotas palatable to the other British delegates, and although he had sought a tariff, he had also wanted a quota and favoured production controls. However, the Australians had no intention of co-operating in a permanent cartelization of British meat supplies. New Zealand was unsure of quotas and Canada and South Africa were uninterested in the device. As for temporary additional voluntary restriction urged by Great Britain for the remainder of 1933, only New Zealand made any attempt to control her supplies. Elliot's plans to raise the proportion of domestic beef from 44% of the total supply to its pre-War figure of 55%, and mutton and lamb from 38% to 52% again, was destined to failure by the room for expansion allowed to the Dominions.<sup>1</sup> The Agreements antagonized Argentina as the chief target of Australia's diversionary trade tactics, and within a week of the end of the Conference the meat arrangements embodied ministers and officials in continuing disputes about quotas and modifications. The hastily constructed arrangements created misunderstanding with Canada over her live cattle imports, with South Africa and the Antipodes over chilled beef carcasses, and above all with Australia over her definition of the "expanding share"<sup>2</sup>. The Agreements were made without any adequate view being taken of the degree of restriction Britain's livestock industry required, or knowledge of forthcoming domestic supplies, and it soon became necessary to improvise additional support.<sup>3</sup> Immediately following Ottawa,

1. CAB 27/495, CP-368(32), Memo by Minister of Agriculture, 31 Oct. 1932; CAB 23/72, Cabinet Meeting, 2 Nov. 1932, Conc.6.

2. Drummond, Imperial Economic Policy, pp.265, 307.

3. Drummond suggests that a protectionist Britain would have done far better to impose a preferential meat duty in 1932, which could have been turned into a levy-subsidy scheme if necessary, and which unlike quotas would have shifted the terms of trade in Britain's favour, Drummond, Imperial Economic Policy, pp.265-6, 308.



although partly for political reasons, Irish cattle were subject to a 40% ad valorem duty under the Irish Free State (Special Duties) Act, which was adjusted periodically until cancelled in the 1938 Trade Agreement with Eire.

The Ottawa Agreements were due to commence operation on 1 January 1933, but during the autumn of 1932 the livestock markets underwent the usual price fall. Elliot, either mistaking the severity of the fall, or abusing the situation for political advantage, called for an immediate restriction of supplies.<sup>1</sup> Discussions were opened immediately with the Dominion governments and the South American Meat Importers Freight Committee. These produced dissension but also immediate voluntary restrictive arrangements for November and December.<sup>2</sup> The South American meat shippers agreed to reduce their chilled beef supplies by 10% of their intended consignments, and an additional 10% if necessary, and to reduce mutton and lamb by 20%. The Antipodean Dominions agreed to restrict mutton and lamb shipments to 90% of the levels of November and December 1931, and their frozen beef was not reduced.<sup>3</sup> A Meat Advisory Committee was set up representing the government and wholesale and retail interests to advise the government on the emergency voluntary import restriction, but because of the highly political nature of meat import negotiations, it came to be concerned chiefly with bacon and ham.<sup>4</sup>

The continued weakness of the market, particularly for beef, meant that quota restrictions on foreign chilled beef were maintained into 1933, beyond the Ottawa imposed restriction of 5%. As the market for domestic beef remained unaffected by cuts in chilled beef, supplies were further restricted during October to December to 85% of the corresponding OSY quarter. No adjustments beyond the Ottawa programme were made for frozen

1. CAB 27/495, Memo by Minister of Agriculture, 31 Oct. 1932.

2. Econ. Ser. No. 39, Fat Stock, p.20; Capie, F., 'British Market for Livestock Products', pp.210-11.

3. Econ. Ser. No. 39, Fat Stock, p.20.

4. MAF 34/76, Meat Advisory Council, 1932.

lamb.<sup>1</sup>

In 1933 Runciman approached the Antipodean High Commissioners to prepare a general world meat conference which the Ottawa agreements had adumbrated, but they thought little of the idea and instead the UK opened negotiations with the Argentine alone.<sup>2</sup> An agreement with Argentina had always been envisaged at Ottawa but became essential afterwards because the Conference infuriated South America. Argentina especially was shocked by the steadily increasing programme of restriction imposed upon her. When she realized that for the convenience of administration, and to avoid the invidious task of allocating national quotas, the government had asked meat importers to keep their totals within the arranged limits she felt under further attack for much of her export trade was in the hands of large British and some American-owned meat companies.<sup>3</sup> At the Meat Conference in Montevideo in November 1932, delegations from Argentina, Uruguay, and Brazil resolved to ask Britain to allow them to distribute the Ottawa meat quotas amongst themselves.<sup>4</sup>

Before Ottawa, the Argentine had been prepared to denounce treaties with France and Italy to give tariff preferences to the UK, but afterwards relationships deteriorated. Because of Argentine exchange controls British-owned railways and utilities had great trouble in transferring remittances from the River Plate to London. However, the Argentine government was eager for some guarantees with respect to the emerging quota system and negotiations were opened.<sup>5</sup>

1. Econ. Ser. No.39, Fat Stock, p.21.

2. Drummond, Imperial Economic Policy, p.309. It was only in 1937 that this idea was revived through The International Beef Conference.

3. Capie, F., 'British Market for Livestock Products', p.217.

4. The Times, 7 Nov. 1932.

5. Drummond, Imperial Economic Policy, pp.309-10.

The 1933 Roca-Runciman Agreement gave the Argentine most of what she desired in respect of meat. The Agreement operated for a minimum of three years when it might be terminated after six month's notice. It enforced the Ottawa decisions and ensured that they would not be arbitrarily extended. There were to be no restrictions on chilled beef exports (by far the major item of the Argentine export economy) below the OSY level, unless it was necessary in order to secure remunerative prices in the UK market. Such further cuts might not be maintained if Argentine supplies were replaced by other imports so neutralizing the desired effect on prices, except for "experimental" supplies of chilled beef (and here British officials were thinking principally of Australia). If import reductions of more than 10% were enforced, consultation was to take place to reduce all chilled and frozen meat imports by a percentage equal to any percentage reduction of Argentinean chilled beef below 90% of her supply. The same principle operated for Argentine frozen beef, mutton, and lamb in excess of the restriction programme agreed at Ottawa.<sup>1</sup> In a Supplementary Agreement to the Convention Britain undertook not to impose any duties on meat other than canned meat, extracts, or essences, up to the existing 10% ad valorem rate.<sup>2</sup>

These programmes of quota restrictions were fully carried out. The 10% reduction on chilled beef imports was imposed and total imports of frozen beef, mutton, and lamb were progressively reduced to 65% of the OSY level. Pork imports, not mentioned in the Agreements, were cut 33 % under the Agricultural Marketing Act's provisions.<sup>3</sup>

1. Trade Conventions with Argentina, Cmds. 4310, 1933 and 4492, 1934.

2. Supplementary Trade Agreement, Cmd. 4494, 1934.

3. 'The Argentine Agreement in the UK', Journal of the Ministry of Agriculture, 1937, p.921.

Uruguay complained that the OSY guideline had heavily penalized her, since it equalled only 64% of her 1930 supplies, which were a more representative base level, and that this restriction had caused a farming crisis. With agreements concluded or negotiations in progress with almost all other meat suppliers, there was little the UK could do. She was loath to give Uruguay Brazilian allocations, because Brazil was one of the few countries with which the UK had a favourable trade balance.<sup>1</sup> The Uruguayan Trade Treaty of June 1935 did not specifically mention meat, but a general provision allowed for most-favoured-nation treatment outside existing agreements.<sup>2</sup>

Australia argued that the Argentine Agreement was a betrayal of Ottawa. However, this was not true. Australia simply wanted cutbacks of foreign meat to whatever level the Dominions required. The British government believed that as domestic consumption could be expected to grow with reviving prosperity, the Dominions would obtain a rising share of this growing market. Also, and with considerable difficulty, Britain had safeguarded Dominion chilled beef, Australia's most prominent agricultural development, which rapidly grew far beyond "experimental" shipments as J.H. Thomas and the Board of Trade knew well in advance that it would.<sup>3</sup> Although Argentina protested almost immediately it was not until late 1935 that the UK admitted what had been obvious for eighteen months, that Australian chilled beef was replacing the Argentine meat which Britain had unilaterally excluded by quota.<sup>4</sup> In addition the quotas favoured the Antipodean Dominions over Argentina for the rest of the 1930s.<sup>5</sup>

1. MAF 40/86, Anglo-Uruguayan Trade Agreement, 30 June 1934.

2. Trade and Payments Agreement with Uruguay, 1935, Cmd. 5343, 1937.

3. Drummond, Imperial Economic Policy, p.312.

4. Ibid.; Table L.VI.

5. Capie, F., 'Australian and New Zealand Competition in the British Market', p.58. See pp.47-61 for a useful discussion of supply factors in Australia, New Zealand, and Argentina.

The Ottawa Agreements officially lapsed in 1934 and import negotiations began before July when Britain recovered her freedom to regulate Dominion supplies. Initially Whitehall hoped that quotas need only be extended for three months until a levy-subsidy scheme might be introduced as proposed by a White Paper in 1934.<sup>1</sup> However, as the Dominions and Argentine proved obdurate, further quarterly quota periods were negotiated.<sup>2</sup> Civil servants were quickly thrust into continual infuriating wrangles for which they had no liking or experience, and no points of reference except the OSY bi-lateral agreements.

Following continued calls for aid from British beef farmers the government had been considering alternative plans to safeguard the domestic meat producer. Since the end of 1933 Elliot, with Chamberlain and the economists of the Economic Advisory Council, was urging his colleagues to extend the levy-subsidy idea to commodities other than wheat. On 24 November Elliot made representations to the Cabinet about beef, dairy products, and pigmeat, all selling at unduly low prices, and the Produce Markets Supply Committee was set up in response.<sup>3</sup>

Elliot was the foremost advocate of a levy-subsidy scheme for beef. Although Dominion and Argentine agreement was required before the necessary duties could be imposed, the alternative was seen as being heavier quotas and more embittered negotiations. A single tariff sufficient to make British beef production profitable would place a heavy cost on consumers and it was thought that this would provide large profits to the lower-cost Argentinian production.<sup>4</sup> Under a levy-subsidy scheme imports would still be

1. The Livestock Situation, Cmd. 4651, 1934.

2. Drummond, Imperial Economic Policy, p.134. See also Chapter II.

3. CAB 23/77, Cabinet Meeting, 29 Nov. 1933, Conc. 7; CAB 24/244, CP-278(33), Review of the Produce Markets Situation, 24 Nov. 1933; Drummond, Imperial Economic Policy, p.328. See also Chapter II.

4. In fact a tariff would be shifted backwards onto Argentine producers.

restricted, but not below the 1933 levels.<sup>1</sup> As with wheat, the funding would be reduced in proportion to an excessive domestic expansion of production.

There was no suggestion that the PMSC recognized the relationship between price and consumption. They worried that high prices would increase domestic production whilst Elliot was known to believe it was better to support farm prices lest producers went permanently out of business, thereby causing shortages and high prices.<sup>2</sup> J.H.Thomas did not believe that the Dominions would agree to the levy, and Chamberlain thought that a scheme which was intended to raise prices from 35s. to 45s. a cwt. would produce oversupply, and strongly opposed this suggestion as being of too permanent a nature for what he regarded as a short term crisis. Chamberlain still believed the only long term solution lay in import restriction combined with production controls in the Dominions, possibly with some new markets for Dominion beef.<sup>3</sup> The Foreign Office representative doubted that the Argentine would agree to a levy for she had been promised no duties until 1936. Elliot hoped she might agree if Britain renounced her right to make reductions of chilled beef greater than 10% below the OSY level, but the Committee was not impressed by this.<sup>4</sup> In late 1933 the PMSC had asked Canada to restrict her live cattle exports, and had imposed punitive cuts on the Irish Free State<sup>5</sup>. The Committee remained deadlocked on levy-subsidies, but resolved to open discussions with the Dominions and to

1. CAB 27/560, PMS(33)2, Meeting, 11 Dec. 1934.

2. Drummond, Imperial Economic Policy, p.329.

3. CAB 27/560, PMS(33)6, Meeting, 26 March 1934.

4. Drummond, Imperial Economic Policy, p.330.

5. Ibid..

prepare a policy statement.<sup>1</sup>

From December 1933 to June 1934 several influential ministers came to approve of Elliot's ideas as he demonstrated that there was no politically feasible alternative for raising cattle producers' receipts. They also saw a levy-subsidy as a permanent policy for what was no longer a temporary crisis. Chamberlain now strongly favoured it for meat, believing that the Dominions would prefer it to heavy restriction, and Runciman felt that more severe quotas would still not raise prices enough. Consequently in June the PMSC endorsed the levy-subsidy principle.<sup>2</sup> Elliot explored the numerical possibilities of various schemes and the Cabinet approved the PMSC's proposals to approach the Dominions on the widest possible basis, but not Argentina at that stage.<sup>3</sup>

On 27 June Thomas and Elliot met the Dominion High Commissioners and stated that higher prices were essential for the British beef farmer. The Ottawa and Argentine Agreements, by precluding duties made quantitative restriction more difficult, for the estimated necessary 15% cut in foreign supplies had to be matched by a 5% cut on the Empire under the Argentine Agreements which the Dominions would not readily accept. The Dominion High Commissioners fortuitously proposed a 1d. per lb. foreign meat duty with a 50% preference to the Empire, and with quantities remaining as agreed at Ottawa. It was now hoped Argentina might agree if she was allowed 100% of the OSY chilled beef shipments instead of her current 90%.<sup>4</sup> The Dominions were not made aware of the highly protectionist use intended for the duty.

Once the Ottawa limitations expired on 30 June it became possible for the UK to impose unilateral restrictions on Dominion meat. However, while the government continued to prepare a workable levy-subsidy plan, Australia

1. CAB 27/560, PMS(33)6, Meeting, 26 March 1934, Conc.(1).

2. CAB 27/560, PMS(33)7, Meeting, 12 June 1934. Conc.(a).

3. CAB 27/560, PMS(33)8, Meeting, 18 June 1934; CAB 27/560, PMS(33)15 The Meat Situation, 15 June 1934; CAB 23/79, Cabinet Meeting, 19 June 1934, Conc.6.

4. Drummond, Imperial Economic Policy, pp.333-4.

announced that she now refused to accept the levy<sup>1</sup>. It was contemplated that all meat, not just beef, would pay the import levy, and if the Dominions were accommodating it was thought that the Argentine might agree, otherwise quotas would have to be used.<sup>2</sup> As an interim measure the Cabinet approved the PMSC's proposal for a temporary subsidy to British beef producers until March 1935, which Elliot announced to the Commons in July.<sup>3</sup> His statement was published as a White Paper,<sup>4</sup> and was intended to influence the Dominions as much as to reassure home farmers. It offered the alternatives of quantitative restriction, levy-subsidy plans with restricted entry, or a combination of a levy-subsidy plan with milder restriction.

For a while nothing was done and the UK continued short-term import regulation, working on the details of the levy-subsidy plan which it was hoped to graft onto the duty proposed by the Dominions. Nothing could be settled by the time the interim cattle subsidy ended because Australia was facing a General Election.<sup>5</sup> The emergency payments had to be extended and the quarterly quota system remained in operation.

The quota engendered an immense amount of intra-imperial and international friction as the Dominions aimed to cut not only foreign quotas but also each other's. In the inter-departmental committee structure established to administer the quotas, the Ministry of Agriculture fixed the total quota allowables, which were negotiated by the Board of Trade, Foreign Office, and Dominion Office. Because the quarterly quotas were often established late, the distant Antipodean suppliers faced greater difficulties

1. See Ibid. p.335.

2. CAB 23/79, Cabinet Meeting, 11 July 1934, Conc.7.

3. Hansard, Vol.292, 11 July 1934, Cols. 321-4.

4. The Livestock Situation, Cmd.4651, 1934.

5. Drummond, Imperial Economic Policy, p.337.



for their shipments had to be planned months in advance.<sup>1</sup> New Zealand used her Meat Producers Board to stay within her mutton and lamb allotments, largely because she was unable to maintain the high level of shipments of the OSY.<sup>2</sup> Australian sheepmeat exports were high in 1931/2 owing to the decline in the wool market, and although reduced in 1932 and 1933, they rose again in 1934 as she commenced mutton and lamb production.<sup>3</sup> However, Australia had no mechanism with which to control her exports and no inclination to devise one. Only in 1934 did she begin to prepare control legislation, and her government resisted Britain's efforts to plan her meat shipments. Antipodean beef supplies expanded far beyond the estimated levels, especially those from New Zealand, although her consignments were small during the OSY.<sup>4</sup> Canada made no serious efforts to estimate her bacon and live cattle exports, and had no effective machinery for doing so. The great meat exporting companies generally co-operated with Britain in imposing the restrictions upon South America, although this caused them much friction with Argentina, Uruguay, and Brazil.

On 27 July 1934, when it was possible for the UK to impose quotas on Dominion supplies without consultation, J.H. Thomas sent the Dominions their meat allocations for the second half of 1934. New Zealand and Australia accepted restriction with much complaint and argued over the quota sizes. Australian had to be threatened with an order under the Agricultural Marketing Acts before she acquiesced in regulating her frozen beef shipments

1. Ibid. pp.308, 314.

2. MAF 40/97, Dept. of Commerce, Mutton and Lamb - Question of Long-Term Restriction, 1935, p.3; Tables L.VII, L.VIII; Capie, F.H., 'Australian and New Zealand Competition, p.60.

3. Ibid.

4. MAF 40/100, International Beef Conference, 1938-9, Beef Import Tables OSY-1939; Table L.VI; Drummond, Imperial Economic Policy, pp.314-5; MAF 40/97, Dept. of Commerce, Beef Industry - Restriction as a Long-Term Policy, 1935, p.10.

for the first quarter of 1935, and the Canadians, after contesting Britain's right to restrict her live cattle imports, agreed to 'forecast' their shipments.<sup>1</sup>

Although imported beef prices ceased to fall as a result of the import quotas, the price of home-produced beef continued its downward course until late 1935.<sup>2</sup> Because substitution between domestic fresh meats and imported preserved meats was not significant (except perhaps seasonally for Argentine chilled beef and New Zealand lamb with the lowest quality British supplies), domestic production levels and costs were more important than imports in determining home producers' incomes. British beef output continued to rise from 1932 to 1937 and the cattle industry remained depressed.<sup>3</sup> In the autumn of 1933 feeders were keeping stock back from sale because of the low price level while other supplies were on the market. The Argentine Agreement was ratified that autumn, and in addition, Irish fat cattle imports were reduced to 50% of the first quarter of 1933 for the corresponding period in 1934, by an order under the Agricultural Marketing Acts.<sup>4</sup> Canada complied with a request to limit her fat cattle exports to the 1933 level for this period and canned beef imports were also controlled,<sup>5</sup> but domestic prices fell slightly in 1934. The reduction in the domestic sheep population and mutton and lamb production in 1934, rather than reduced New Zealand lamb imports and import quotas on sheepmeat, produced the desired effect on domestic fat sheep prices, and sheep farmers' incomes rose thereafter.<sup>6</sup>

1. Drummond, Imperial Economic Policy, pp.316-7.

2. Astor and Rowntree, British Agriculture, p.194; Tables L.I, L.V, L.VI, and L.X.

3. Tables L.I, L.V; Graph F.IV.

4. They were already subject to duties under the Irish Free State (Special Duties) Act, 1932. Store cattle imports were reduced 12½%.

5. The Livestock Situation, Cmd.4482, Dec. 1933.

6. Tables L.II, L.V, L.VII-VIII.

The Emergency Cattle Subsidy, 1934-7

Following the PMSC's proposals and Elliot's announcement the Cattle Industry (Emergency Provisions) Act was passed in July 1934. This provided temporary assistance to beef producers after two years of low prices had placed the industry in a depressed condition which import quotas had proved unable to relieve.

The 1934 legislation appointed a Cattle Committee to advise the Minister of Agriculture, who controlled payments from a Cattle Fund. As with milk, these advances from parliamentary monies and the Consolidated Fund were to be repaid from levy-subsidy incomes before the expiry of the Act on 31 March 1935. Payments were available from 31 August 1934 on steers, heifers, and milk cow heifers as certified and sold for slaughter, or on their carcasses.<sup>1</sup> These payments were computed up to 5s. a live cwt. or 9s.4d. deadweight, with a minimum live-weight of 5½ cwt. after allowing 28 lbs. for stomach contents.<sup>2</sup> No payment was to be made unless the carcass was dressed in accordance with the regulations specified by the Minister and the cattle had a killing-out percentage of not less than 52½% as estimated and certified by the certifying authority.<sup>3</sup> Imported cattle were eligible for the subsidy only if fattened for three months in Britain.<sup>4</sup> Liveweight and deadweight Certification Centres were approved at major city markets and public abattoirs which were existing National Mark beef grading centres (London, Birmingham, Leeds, Bradford, Halifax, and Aberdeen) or government centres for grading and consignment services handling above 100 cattle per week (Manchester, Sheffield, Swansea, Wolverhampton, Coventry,

1. Unless they were bulls faultily castrated, pregnant cattle, or cows in milk.

2. Cattle Industry (Emergency Provisions) (Rates of Payment) Order, 1934.

3. Cattle Industry (Emergency Provisions) (Regulations) Order, 1934. The dressed carcass weight should be in the proportion of 58lb. to each live cwt.. Farmers were charged 1d. for each examination and 1s.3d. for each certificate.

4. Cattle Industry (Emergency Provisions) (Marking of Imported Cattle) Order, 1934.

Blackpool, Hull, Edinburgh, Glasgow and Dundee).<sup>1</sup>

The proposed introduction of the long-term levy-subsidy policy met continual delays and problems in the delicate international negotiations, and this forced the 'temporary' continuation of the cattle subsidy. The Cattle Industry (Emergency Provisions) Act, 1935 added a further repayable £1.05m. and extended the scheme by six months; the Cattle Industry (Emergency Provisions) (No.2) Act by thirteen months; and the Cattle Industry (Emergency Provisions) Act, 1936 extended it until July 1937. No attempt was made to relate the subsidy to costs, although these were examined by the Ministry and Cattle Committee.<sup>2</sup> The original object of the Acts was to reduce the losses that producers were facing, and so gain time to evaluate a more permanent policy. Thus the subsidy was to be reduced if cattle prices rose above 44s.6d. a cwt. during April to July 1937.<sup>3</sup>

Once the government announced the introduction of legislation in July fat cattle prices, instead of showing their usual fall until November, rose to September and then declined slightly as farmers held their cattle off the market or bought in animals in anticipation of payments. More than average numbers then entered the markets, and cattle were pushed forward for slaughter which would have been kept for further feeding had the required degree of finish (the killing-out ratio) been higher.<sup>4</sup> The first-quality beef producers gained most from the subsidy, but many farmers lost the income they gained from payments because the increase in sales depressed market prices.<sup>5</sup> As the volume of sales remained high, incomes and market

1. Econ. Ser.No.41, Cattle Industry (Emergency Provisions) Act, 1934, Report of the Cattle Committee, 10. Aug. 1934, p.23.

2. MAF 31/14, Costs of Producing Fat Cattle; MAF 38/422, Agricultural Commodity Costs, Cattle.

3. MAF 31/21, MO 7048, Notes on Livestock Commission's Recommendations re. Subsidy Payments, 23 May 1938, p.3.

4. MAF 31/4, CF 2136, Memo on the Course of Prices of Fat Cattle, 26.9.31.

5. Graph F.IV, Tables L.I and L.VI.

prices stayed low until this trend was reversed in 1937/8.<sup>1</sup>

In late 1936 a scheme was formulated to encourage quality beef production through a quality subsidy scheme, and it was also intended to reduce the rates of payment on imported animals relative to the domestic rates.<sup>2</sup> These proposals were later embodied in the reorganization of the industry which occurred from 1937 under the Livestock Commission.

Meat Negotiations : The Failure of Levy-Subsidy Proposals, 1935-6

While the temporary subsidies were extended, the meat talks were continued, involving increasing political and technical difficulties. Although the first subsidy ended in March 1935, it was not until February that an import duties scheme was cabled to the Dominions. It involved no quantitative controls unless the Dominions preferred them to levies.<sup>3</sup> Elliot was in accord with Chamberlain's idea, first expressed at the 4 February meeting of the PMSC, whereby it was proposed that the Dominions regulate their own supplies with reference to the relation of supplies to prices. Baldwin had emphasized the political troubles caused by quota setting, and Runciman stated that unrestricted entry would be helpful in dealing with the Argentine. The Committee now favoured levy-subsidies without restriction and held to this principle until the expiry of the Anglo-Argentine Agreement in November 1936.<sup>4</sup>

The Dominions now became aware of the protectionist use intended for the duty. Australia had originally accepted the duty only because she had mistakenly believed that quotas would still operate on foreign meat; New Zealand now refused the tariff preferring universal quota regulation which had worked so well for her sheep exports; South Africa would tolerate a duty only if it was combined with quantitative restriction sufficient to raise prices while allowing her chilled beef trade to expand, and Canada's

1. Graph. F.IV, Tables L.I and L.VI.

2. MAF 31/8, Long Term Policy Suggestions, letter MC 6674A, Vandepier to Scott Robertson, 20.11.36.

3. Drummond, Imperial Economic Policy, p.337.

4. CAB 27/560, PMS (33)16, Meeting, 4 February 1935, Conc. (a).

reply was concerned only with live cattle.<sup>1</sup> Perhaps only New Zealand and South Africa were aware that levy-subsidies without restriction would greatly depress their market as supplies increased, while British producers would be cushioned against disastrous price falls and would gain higher payments as imports rose and prices fell. Britain would pay less for her meat imports while the Empire suffered an adverse movement to its balance of payments situation.

Short-term wranglings over quotas had been both the background to, and reason for, the emergence of levy-subsidies, and the Government had convinced itself that the new policy would soon be in operation. In response to the setbacks the government stated its views in a White Paper<sup>2</sup>, repeating the principle and stating that while Britain administered the subsidy overseas suppliers should regulate their shipments to prevent the market collapsing. It also added that the levy was now to apply only to beef and to live cattle, and not to all meat. This was in fact a concession to New Zealand's sheep industry but also arose because the Board of Trade had solved the problems of mutton and lamb quota administration and it was believed (erroneously) that these had raised domestic lamb prices. Thus the beef duty would have to be higher than was originally intended. Finally the White Paper held out the threat of more stringent supply regulation if its proposals were not accepted. The Dominions then insisted upon a preferential margin of 1d. per lb., which meant that a foreign duty of 1½d. per lb. was required, together with Argentine and Australasian approval, before the scheme could operate.<sup>3</sup>

The Cabinet then authorized the PMSC to work out a levy-subsidy plan with import controls, to be operated through a meat board representing the Dominions and perhaps Argentina, and with a levy to raise the necessary £4m.. Negotiations commenced, those with Australia beginning badly and deteriorating. The Australians were not at all conciliatory, the Canadians

1. Drummond, Imperial Economic Policy, p.338.

2. Meat Imports, Statement of the Views of the Government, Cmd.4828.1935.

3. Drummond, Imperial Economic Policy, p.341.

were quiet, South Africa quiescent, and New Zealand helpful.<sup>1</sup>

New Zealand had accepted control of her mutton and lamb because she had benefited from this while her ability to supply had fallen and her shipments had been reduced from the OSY level.<sup>2</sup> Australia, whose shipments had risen, would not accept regulation based upon the OSY unless she could send what she wanted, and was distrusted by New Zealand who believed her own cutbacks had benefited Australian expansion. This was true in respect of mutton but less so for lamb, and the Dominions fought these matters out between themselves until Elliot suggested that the situation should be reviewed each quarter.<sup>3</sup>

Forbes, the New Zealand prime minister, was also prepared to accept beef regulation and like Australia, expected to shift his exports from frozen to chilled beef now that technical developments in the early 1930s had made this long-distance trade commercially viable. However, he did not envisage the level of expansion that Australia had in mind. The abnormal increase of New Zealand shipments to 151% above the OSY in 1934<sup>4</sup> was a result of a temporary intense expansion of the cattle industry and the beef by-product of dairy herds. Australia's beef industry was more natural to her country than her other types of farming and in 1934 was still at a development stage, although her beef exports had already increased to 44% above the OSY level.<sup>5</sup> In 1935 Australian chilled beef exports became so large that Britain was forced to remove the 10% cut additional to the Argentine's chilled beef quota. Thus Sir Henry Gullett, the Australian Minister for Trade Treaties,

1. Ibid. pp.342-4.

2. MAF 40/97, Mutton and Lamb, Question of Long Term Restriction, 1935, p.3.

3. MAF 40/99, International Beef Conference, 1938; Capie, F., 'Australian and New Zealand Competition', p.60.

4. MAF 40/100, International Beef Conference, 1938-9, Table of Beef Imports; Table L.VI.

5. Ibid.; MAF 40/97, Beef Industry, Restriction as a Long Term Policy, 1935, pp.6-13; Table L.VI.

was prepared for regulation if it was primarily on foreign supplies, while Sir Joseph Coates, the New Zealand Minister of Finance, Customs and Transport, deplored the levy as a departure from Ottawa. Initially neither of the Australasian Dominions could comprehend that the UK was not opposed to supply regulation, but only to regulation by the UK which was so disruptive to her own international relations. Only South Africa would accept a scheme, and seven drafts were worked through.<sup>1</sup>

Argentina then presented the next problem by refusing to consider a 1½d. per lb. levy since she correctly assumed that her producers would have to absorb it, and estimated that as a result their returns would fall by 42%.<sup>2</sup> Because chilled beef was by far her most important export, she was not prepared to contemplate the resultant political and economic consequences. Even a 1d. per lb. duty would cut returns by 35%. eighth draft circulated to the Dominions in August 1935 but was accepted only as a basis for discussion. Meanwhile Argentina considered the earlier proposals.<sup>3</sup>

The 1935 discussions were productive, but still left much of what Britain had hoped for unresolved. The Antipodean Dominions had set the pace of the talks, South Africa playing little part, and Canada showing interest only in the regulation of her small but growing live cattle trade. The Dominions were not allowed the unregulated entry for which Australia had pressed so hard, but agreed to beef and veal quotas for 1936 and obtained fixed mutton and lamb quotas for 1936-7. However, there was still no long-term plan, no international council, and no agreement with regard to structured protection. Meanwhile the emergency cattle subsidy had been renewed twice. It was at this point, in April 1936, that the Cabinet Committee on Trade and Agriculture was established to carry out the PMSC's brief and to be responsible for trade relations, protection and levy-subsidies.

1. Drummond, Imperial Economic Policy, pp.341-8.

2. Ibid. p.346.

3. Ibid. pp.346-9.



One of the first problems faced by the TAC in respect of beef proposals was Australia's announcement that she now wanted free entry for her developing beef industry, and not the  $\frac{1}{4}$ d. levy she had finally agreed to in 1935. Like New Zealand, she also wanted free entry for mutton and lamb.<sup>1</sup> The Argentine replied to the draft scheme at this point, stating that a  $\frac{1}{2}$ d. per lb. beef levy was acceptable, but this was incompatible with Australian demands concerning preferences, and with the financial requirements of the scheme.<sup>2</sup> A 1d. levy (with  $\frac{1}{2}$ d. preference) on all meat would have provided the requisite funds, but the Dominions were firmly opposed to duties on mutton and lamb, and so a 1 $\frac{1}{4}$ d. beef duty (with 1d. preference) was necessary. The TAC also thought it unnecessary to extend the levy to sheepmeats, where quantitative control was satisfactorily sustaining prices.<sup>3</sup> The Argentine Agreements could now be terminated from 6 November, but the TAC decided in May not to denounce the Agreement but to approach the Argentine again.<sup>4</sup>

This time an offer was prepared which was intended to end the deadlocked situation which remained after two years of negotiations. Chamberlain announced to the Committee on 4 May that in order to produce an agreement with the Argentine, he was prepared to forgo the subsidy arrears under the Cattle Industry Acts and to continue payments indefinitely from general revenues so long as domestic production was not increased. The TAC quickly agreed to the Chancellor's proposals, and offered free entry to the Dominions and a  $\frac{3}{4}$ d. duty to the Argentine. The Dominions were to be free to substitute chilled for frozen beef, and there would be a meat conference to fix quotas.<sup>5</sup> Chamberlain's concession recognized the impossibility of

1. Ibid. p.350.

2. Ibid. p.351.

3. Ibid. p.350. There was no further discussion about a sheepmeat levy-subsidy in the TAC.

4. CAB 27/619, TAC(36)3, Meeting, 4 May 1936. Conc.1(e), 5.

5. Ibid. Conc.1 (b), (d).

producing a workable levy-subsidy plan and meant the end of any real hope for it. It also paved the way for a new Argentine Agreement and more workable international negotiations, at the expense of the exchequer. He was prepared to pay the £4m. per annum subsidy (so long as domestic production was not increased), regardless of income from a beef duty which would now be simply a tariff on the most competitive imported meat on the market. Australia had really wanted a 1d. preference, and although she would accept a  $\frac{1}{2}$ d., a  $\frac{1}{4}$ d. Dominion levy would yield so little revenue that she was given free entry with a margin which on her own figures allowed her a definite benefit.<sup>1</sup>

On 6 July Elliot was able to announce the policy to the Commons,<sup>2</sup> which involved a permanent subsidy to domestic beef producers, Dominion free entry, and foreign beef duties. Quantitative regulation from January 1937 was to operate through an International Meat Conference and Empire Meat Council, with aggregate beef imports not exceeding recent levels, and with the possible inclusion of mutton and lamb. The idea was to turn over the apportioning of a global quota decided by the UK to the exporting countries, thus avoiding the ill-will and retaliation that had been incurred by Britain. Britain would then provide subsidies for a stable level of output.

As a result of this approach the Argentine Agreement was renewed in 1936. It differed principally from the Roca-Runciman Agreement by imposing duties of  $\frac{3}{4}$ d. per lb. on chilled beef,  $\frac{2}{3}$  d. on frozen beef, and 20% ad valorem on boned and preserved beef and veal, offals extracts, and essences. If the incidence of the specific duty on chilled beef fell below 17 $\frac{1}{2}$ % ad valorem (i.e. if prices rose) the duty would be reduced by 2 $\frac{1}{2}$ % ad valorem for every 2 $\frac{1}{2}$ % by which the specific duty fell below 20% ad valorem in any six month period.

1. Drummond, Imperial Economic Policy, pp.351-2.

2. Hansard, Vol. 314, 6 July 1936, Cols. 841-6.

In order that the Argentine would co-operate in the international beef regulation scheme she was guaranteed a minimum annual quantity and proportion of the total regulated foreign meat imports. These were based on Argentina's previous imports and were to safeguard her against unduly favourable treatment being afforded to other countries at her expense. The 10% reduction over the OSY level was confirmed by taking the 1935 chilled beef imports as the basic allocation, and this could be reduced by up to 2% in any of the three years 1937-9 up to a maximum total reduction of 5%. The 35% reduction in frozen beef, mutton, and lamb was stabilized by minimum quantity and proportion guarantees. Mutton, lamb, and pork imports were duty-free, but could be reduced by a further 10% in 1938; pork imports remaining at two-thirds of their 1934 level.<sup>1</sup>

The Beef and Veal Import Duties Act, 1937 was passed after similar negotiations with Brazil and Uruguay secured their co-operation for the International Meat Conference by respecting their recent import quantities. Together with a number of orders, this legislation extended the duties to all foreign beef imports, backdated to 16 December 1936.

The International Meat Conference commenced operation in January. The Empire Meat Council representing the UK, the Australasian Dominions (and later Eire), formulated a common approach and then went to the Conference to negotiate the quarterly beef quotas with Argentina, Brazil, and Uruguay. Britain represented the interests of the minor suppliers, Canadian live cattle,<sup>2</sup> and South African chilled beef.

Meanwhile the Livestock Industry Bill was in preparation to give a statutory basis to the subsidy, now for £5m. and for an unstated quantity of meat, and to enact provisions to allow the Board of Trade to regulate

1. Trade and Commerce Agreement with the Argentine, 1936, Cmd. 5324, 1936; 'The Argentine Agreement in the UK', Journ.Min.Agric., pp. 921-3.

2. Britain accepted this responsibility under the Anglo-Canadian Trade Agreement, February 1937. This Agreement also renewed most of the provisions of the 1932 Ottawa Agreements with the other Dominions.

imports should the international beef negotiation machinery fail. The legislation was intended to revitalize the domestic industry, for since the subsidies were to be permanent, the industry was expected to respond with improved production and marketing efficiency.

The Livestock Commission and Livestock Industry Act, 1937-9

The Livestock Commission was instituted in 1937 to control developments in organization and quality in the industry and its related trades, and to inaugurate and administer the new cattle subsidy. Its implementation followed directly the abandonment of levy-subsidies, the lack of confidence in marketing boards, and the realization that the existing subsidy was unrelated to costs and gave the public no return in respect of improvements in the quality, production, and handling of meat. It had been hoped that following the Reorganization Commission for Fat Stock's Report in 1934<sup>1</sup> producer control for the industry would have faced up to these problems, but farmers showed no further interest in them once the subsidy was provided.

The Cattle Committee had only limited advisory powers, and although plans for quality payments were evolved government policy did not approach the major deficiencies highlighted by the Reorganization Commission. All attention was focused on the levy-subsidy as it became obvious that the price problem was no longer temporary, and a long-term reorganization was neglected. By 1937 other major branches of agriculture were involved with restraints on inefficient production and livestock could no longer be ignored. Consequently plans were evolved for a thorough reconstruction of the industry, and after consideration of the Cattle Industry Advisory Committee's views the Cattle Committee recommended a draft scheme to the Minister subject to any views the Livestock Commission might express once constituted. The scheme appeared as a White Paper in January 1937.<sup>2</sup>

1. Econ. Ser. No.39, Fat Stock, 1934.

2. Livestock Industry Bill, Cmd. 5362, 1937.

These views were embodied in the Livestock Industry Act one year after Elliot had outlined the government's proposals for safeguarding the industry. The independent Commission was appointed by the ministers responsible for agriculture to review and advise on the production, marketing, slaughter, treatment, and preparation for sale of cattle and livestock products. The Livestock Advisory Committee<sup>1</sup> was appointed to advise the Commission, and these institutions replaced the Cattle Committee and Cattle Industry Advisory Committee.

The rate of subsidy, which remained constant until the war, was 7s.6d. per live cwt., or 1½d. per lb. deadweight for quality stock, and 5s. or 1d. at the ordinary rate. Imported cattle fed for three months in Great Britain gained 2s.6d. or a ½d. less, in each respective category. The quality subsidy was payable on animals of 7½-12 cwt. with a killing-out ratio of at least 57% (equivalent to the "Select" grade of National Mark Beef), while the ordinary rates applied to cattle of up to 13 cwt. with a killing-out ratio raised to 54% (the National Mark standard "Good"). Carcass dressing regulations were prescribed, and cattle above the weight limits gained the subsidy only for the maximum allowed weight.<sup>2</sup>

These qualifications were amended slightly in June 1938<sup>3</sup> when the 57% killing-out ratio was reduced to 54% for the quality subsidy and the minimum quality weights were adjusted to 7½ cwt. for steers and 7 cwt. for heifers, and the ordinary weight reduced to 6½ cwt. This was to permit the higher rates to be earned by high-quality young grass-fed stock, previously excluded by the high killing-out percentage. Payments were to be made only if the animal were sold or slaughtered within one month of certification, the examination and certificate costing only 1s.8d..

1. This had sub-committees for England, Wales, and Scotland, and it represented farmers, livestock auctioneers, local authorities and other interested parties.

2. Cattle Subsidy (Payments) Order, 1937; Cattle Subsidy (Regulations) Order, 1937.

3. Cattle Subsidy (Regulations) Order, 1938.

Because the subsidy was an addition to the market price gained by the farmer he had every incentive to obtain as high a price as possible by producing good quality cattle and using efficient marketing techniques. Initially it was thought that half the home-bred cattle were eligible for the quality subsidy,<sup>1</sup> but by 1939, after allowing for changes in qualifications, about two-thirds benefited from higher payments.<sup>2</sup>

One of the central functions of the scheme was to improve the livestock marketing structure. The Commission accordingly was provided with the power to make orders in respect of marketing and slaughter. If the Commission decided that in any locality or country of Great Britain (the former being more likely), in order to promote marketing efficiency it was necessary to control the holding of markets, then it might obtain a "Livestock Markets Order" from the Minister. This might be granted once he had consulted the Livestock Advisory Committee, local interests, and held a public enquiry if objections were raised. The Livestock Commission might thereby specify that no new markets were to be established within a designated area, might appoint an advisory committee, and require improvements in existing markets. The Act had specified which centres might certify stock under the scheme (largely those already authorized) and after November 1937 no new markets were to operate.<sup>3</sup> One of the most serious defects of the marketing system was the excessive number of small and inefficient markets, and in a controlled area these might be closed with compensation awarded from a levy on owners of the approved markets, who might benefit from increased business. In addition, the Commission might

1. Second Report of the Livestock Commission, 1 April 1938 - March 1939, 1939, pp.7-8; Livestock Industry Bill, Cmd.5362, 1937, p.7.

2. MAF 31/21, MO 7048, Fat Cattle Subsidy, 1939.

3. Exceptions were allowed if markets operated during November 1935 to November 1936, or were approved by the Livestock Commission or Minister of Agriculture. In 1937 there were 725 centres in Great Britain where cattle might be presented for liveweight certification and 35 for deadweight, operating either under the National Mark Schemes or the 1934 Act, or publicly owned and dealing with over 100 cattle per week. MAF 31/17, MO 6792, Cattle Industry Bill, Notes on Clauses, Clause 5; First Report of the Livestock Commission, p.10.

make national bye-laws to promote economic marketing in all, specified categories, or individual market premises, with regard to the financial liabilities of the owners. This range of powers was far more extensive than those afforded to any other commodity commission, allowing control over processing as well as marketing, and consequently was subject to considerable criticism.

The 1937 Act also empowered the Commission, after confirmation by the Minister, to operate up to three experimental slaughter-house schemes in order to establish or adapt facilities for more efficient use. A local authority or joint board might exercise the Commission's functions, aided by Exchequer grants for up to £½m. for costs and compensation for the closure of neighbouring slaughterhouses. Local authorities were also given greater powers to establish their own abattoirs.

The Livestock Commission was also allowed to establish "service schemes" for the industry in consultation with interested parties. The object of these schemes was to facilitate co-operation between those sections of the industry concerned with production, marketing, and treatment of livestock products, and these schemes would be constituted in the same manner as the agricultural marketing boards. The Commission, at the request of the representatives of the interests concerned, might prepare and submit schemes to the ministers, who could grant statutory support to ensure that all interests contributed equally to an organization which benefited them. A service scheme might operate in any area to promote the conduct of research, education, co-operation, insurance, advertising, grading, breeding, or marketing. An authorized body would then operate an annual programme as approved by the Commission.

Finally, the Act permitted the Board of Trade to regulate meat imports (should the international bargaining mechanism fail) in the interest of domestic producers, but with regard to consumers and to trade relations and commitments.

The original object of the 1934 cattle subsidy had been to reduce losses and so gain time to develop a more permanent policy. The subsequent objects under the 1937 subsidy were firstly, to afford some guarantee against unduly low prices by basing profits at just below 1930 levels, and secondly, to improve average returns by giving financial encouragement to better quality production. Payments were not intended to encourage an "artificial" expansion of production, and the rates were to be kept under review in the light of long-term conditions in the industry. This did not mean that production was to be kept at 1936 levels. The implication was that any expansion should be through the inherent strength of the industry, which the Act was designed to promote.<sup>1</sup> The Cabinet accepted the Cattle Committee's suggestion that the industry's profits in 1930, just before the depression, should be taken as a standard, and that the subsidized profits should be slightly below this level. Thus it was intended that farmers' average total receipts should be 42s.6d. a cwt., a figure on the "low side".<sup>2</sup> The industry was not to be sustained at a high level of prosperity with the aid of public money.

Under the Act's operation during 1937-9 the beef cattle industry attained a period of relative stability, accompanied by a slight increase in the level and quality of production.<sup>3</sup> The payments brought reasonable returns on fat beef cattle relative to other farm enterprises, and also brought improved returns to store breeders, and beef cattle production rose slightly.<sup>4</sup> With the change in the killing-out ratio more producers gained

1. MAF 31/21, MO 7048, Notes on the Livestock Commission's Recommendations re. Subsidy Payments, 23 May 1938, p.4.

2. MAF 31/21, MO 7048, Fat Cattle Subsidy, 1939.

3. Tables L.III, L.IV, L.V. The beef cattle population rose, although fat cattle sales fell, reflecting farmers' confidence in the future of the industry, and the fact that cattle ready for sale were sold in 1934-5.

4. Graph. F.IV; Table L.V.



the quality subsidy and farmers' total receipts rose at a slightly higher rate than production costs.

In consequence, it was not considered advisable to adjust the subsidy rates as requested by farmers' representatives in early 1939. The Economic Advisory Service was asked to investigate production costs, and meanwhile the Livestock Commission reported that the cost of fattening from stores had risen by 14% in 1936-8 while the cost of rearing fat cattle for slaughter had risen by only 8%, making livestock production profitable within the level of prices and subsidy.<sup>1</sup> Thus the request of the NFU and the Chamber of Agriculture for Scotland that the quality and ordinary subsidy rates per live cwt. be raised to 8s.6d. and 5s.6d. respectively, and that the subsidy for imported home fattened cattle be reduced in order that full use be made of the £5m. to give the same level of profits as 1930<sup>2</sup>, was only tentatively recommended by the Livestock Commission.<sup>3</sup> However, Spear-Hudson, the new Minister of Agriculture, considered that such a rise would encourage domestic production and result in a price fall, unless accompanied by an increase in demand. Trade agreements limited the reduction of foreign beef supplies until the end of 1939, while the Empire was free to substitute chilled for frozen beef. In this situation any fall in market prices would produce renewed demands for an increase in the subsidy, for no new import restrictions could be imposed. Spear-Hudson thus delayed any decision until the June cattle returns were published, when because of the continued expansion it was believed best not to alter the rates.<sup>4</sup> The onset of war raised producers' returns, and the subsidy provisions and other operations of the Livestock Commission were transferred in January to the Ministry of

1. MAF 31/21, MO 7048, Notes on the Livestock Commission's Recommendations re. Subsidy Payments, 23 May 1938, pp.9-10.

2. MAF 31/15, Letter from N.F.U. General Secretary to Sir Reginald Dorman Smith, 23 March 1939.

3. MAF 31/21, MO 7048, Minutes of 23rd Meeting of the Livestock Commission, 1939; MAF 31/21, MO 7048, Fat Cattle Subsidy, 1939.

4. MAF 31/21, MO 7048, Fat Cattle Subsidy 1939.

Agriculture.<sup>1</sup>

There was a general improvement in the quality and finish<sup>2</sup> of beef cattle under the new regulations. During August to December 1937 42% of cattle presented for certification gained the quality rate, and a year later this figure was 65%<sup>3</sup>. However, after allowing for the new subsidy regulations the true gain was only 10%, which was especially significant in a period of slightly rising costs.<sup>4</sup> Although the revised subsidy rates were partly passed back onto store stock, there was still a shortage of good quality stores. This was due to the continued expansion of the dairy industry, and the sharp slump in beef cattle prices in 1935 which had caused farmers to pay less attention to the use of quality bulls. Much store stock was still supplied by 'small men' and was of low quality, with milk and cross-bred bulls producing cattle that were costly to fatten. Some feeders turned to imported stores, although they took a lower subsidy, when suitable quality home-bred cattle were unavailable. However, the finish of cattle was improved, although this required a greater use of purchased feed.

There were measures in progress to encourage the use of better bulls in store-raising districts. The grants available under the premium bull scheme for the purchase of a new bull were doubled in 1937/8.<sup>5</sup> As a result a record 1 547 bulls were so subsidized in that year, 100 more than in 1936/7. After August 1934 all bulls had to be licensed under the Improvement

1. MAF 31/4, CF 200, Livestock Commission.

2. This was the final fattening of cattle ready for market.

3. MAF 31/21, MO 7048, Notes on the Livestock Commission's Recommendations re. Subsidy Payments, 23 May 1938, p.11.

4. Ibid..

5. The grant was raised from  $\frac{1}{4}$  of the cost (up to £20) to  $\frac{1}{2}$  (up to £40). If the bull was kept two years,  $\frac{1}{12}$  of its value (up to £7) was payable, followed by additional annual grants for  $\frac{1}{4}$  of its value (up to £20).

of Livestock (Licencing of Bulls) Act, 1931 before use, in order to eliminate scrub bulls and poor quality animals.<sup>1</sup>

In addition, it was suggested that a "super quality" subsidy grade might be introduced for fat cattle capable of being produced only from good quality stores.<sup>2</sup> It was hoped that there was a considerable potential demand for such beef although it would involve; at least initially, a high rate of subsidy for that section of the trade most able to operate unsupported. Despite this, the need for general improvement was seen as necessary for imports were increasingly of chilled rather than frozen beef, and of a generally higher quality thought to be capable of reducing the price margin with domestic beef. Also, while English and Welsh production and quality had risen, in Scotland the fat cattle subsidy had been followed by a decline in output and a fall in the earlier favourable price differential.<sup>3</sup> This price decline, combined with the fact that 90% of Scottish fat cattle presented for certification earned the quality subsidy after the 57% ratio was dropped, suggested that the general quality was below that previously set by the Scottish cattle industry, and that the quality rates may have effected some deterioration by being set below the average Scottish level. The super quality grade was discussed as a means of combatting this trend.<sup>4</sup>

Although the quality subsidy structure effected an improvement in the production of fat cattle, the Livestock Commission was not able to achieve any significant advances in respect of marketing and slaughtering before the war. The Commission surveyed the more important markets to test their ability to handle efficiently an increased trade consequent upon a

1. MAF 31/15, Council of Agriculture for England, Report from the Standing Committee on the Quality of Store Cattle, 22 Nov. 1938, p.2.

2. MAF 31/21 MO 7048, Notes..., pp.12-13.

3. This was most noticeable in respect of fat cattle. Table L.I; MAF 31/21, Fat Cattle Subsidy, 1939.

4. MAF 31/21, Fat Cattle Subsidy, 1939.

rationalization of the national system, and to see whether improvements or extensions were desirable. Proposals involving extensive alterations were largely confined to publicly owned markets where the existing layout was often found to be deficient. The prime need was to sectionalize the markets according to the classes and types of stock, with sale through a sale-ring in order to stimulate purchasing competition. In September 1938 the Slaughter House Advisory Committee was appointed to advise on three experimental schemes in Edinburgh, Leeds, and Leicester, but no action was taken before the outbreak of war<sup>1</sup>. The same fate befell schemes for hides, fats, and the restriction of auctioneers at markets, which were under discussion with the Hides and Allied Trades' Improvement Society, the Raw Fat Melters' Association and the Livestock (Emergency) Committee respectively.

#### The International Meat Conference, 1937-9

After 1937 the Livestock Commission was responsible for the domestic industry, while the International Meat Conference negotiated imports. The quarterly quota bargaining had shown that it was intensely difficult for Britain to attempt quantitative control of meat. Britain did not know what degree of restriction would operate on an unknown level of demand to raise domestic prices sufficiently, and she was constrained by her commitments to the Dominions and the Argentine in assigning quotas to various national producers. All suppliers assumed that their marginal costs were lower than any relevant British prices and that if they could expand their sales they would gain foreign exchange. If Britain offended a country by affording an increase to another, it was Britain and not the benefiting country who was most likely to suffer retaliation. Nothing

1. First Report of the Livestock Commission, 1 Aug. 1937 -31 March 1938, pp.32-3; Second Report of the Livestock Commission, 1 April 1938-31 March 1939, p.33.

threatened imperial harmony or trade relations more quickly than these disputes. Consequently Britain had pressed for a pre-determined framework in which importing countries might allocate a global quota, such that Britain's trading position would not suffer retaliation. New Zealand had expressed concern over the proposed structure, and gained an additional body, the Empire Meat Council, to present a united front to the international council, a complexity that Britain had not envisaged.<sup>1</sup>

The international machinery commenced operation in January 1937, apportioning quotas amongst members within the limits established by treaties. There were no duties on Dominion beef, and Empire chilled beef could be substituted for frozen varieties, while dutiable foreign supplies were reduced slightly in order to allow for Empire growth.<sup>2</sup>

The International Meat Conference dealt only with beef in 1937 and 1938. These were relatively easy bargaining years because British beef production was slightly reduced while her general consumption was rising.<sup>3</sup> Thus in 1939, after exchanges of notes with Argentina, Australia, New Zealand, Eire, Uruguay, and Brazil the institutions were retrospectively made official, and re-named the International Beef Conference and Empire Beef Council.<sup>4</sup> These bodies worked satisfactorily until the war, and their operation was believed to have helped secure greater stability in the price and supply of beef and fat cattle in the UK. Britain thus devolved a large part of the burden of authority for quota bargaining, and safeguarded beef producers with a subsidy, tariff, and supply regulation.<sup>5</sup>

1. Drummond, Imperial Economic Policy, p.373.

2. Table L.VI.

3. Tables L.V-VI.

4. Regulation of Beef Supplies to the UK, Cmd.5941, 1939; Scheme for Control of Beef Supplies, Cmd.5943, 1939.

5. MAF 31/100, The International Beef Conference and Supply Regulation, 12 May 1939.

Lamb and mutton were excluded from the Conference because New Zealand and Argentina wanted to negotiate directly with Britain. Consequently direct negotiations were continued, Antipodean supplies being held at 1936 levels while foreign supplies were maintained at 65% of the OSY levels. From the autumn of 1937 rising British sheepmeat production caused a fall in domestic, but not imported, mutton and lamb prices and incomes,<sup>1</sup> and the Dominions agreed to a request to keep their 1938 shipments at 1937 levels. Stiffer regulation was considered the only answer because the Argentine Agreement excluded duties on her lamb exports, which in any case were considered too small and of too low a quality to influence domestic prices.<sup>2</sup> However, New Zealand mutton and Australian lamb shipments in 1938 were in excess of this agreement.<sup>3</sup>

Britain always intended to devolve sheepmeat quotas onto the Conference. Australia agreed to this in 1938, but New Zealand refused, saying her shipments were still below the OSY level (which was true only in the case of mutton), and complained that Australia's rise of one-third had broken lamb prices.<sup>4</sup> Morrison therefore asked for an order under the Livestock Industry Act to impose mutton and lamb quotas on the Dominions. He was not impressed by his colleagues who argued correctly that there was little relation between the supply of frozen sheepmeat and British fresh lamb prices,<sup>5</sup> for Australia and New Zealand had not been bound by any agreement to limit their shipments. New Zealand gave in under this threat

1. Tables L.II, L.V, L.XI;

2. Drummond, Imperial Economic Policy, p.386

3. Ibid.

4. Ibid.pp:386-7.

5. MAF 31/15, Policy in Relation to Changes in the Rates of Cattle Subsidy and the Production of Fat Cattle, 16 Dec. 1938, pp.1-4.

and agreed to negotiate sheep quotas in the Empire Meat Council.<sup>1</sup> However, because of disputes between Australia and New Zealand, the Council was unable to agree on mutton and lamb quotas for 1939, and faced with growing home production and unfavourable prices, the UK imposed quotas to keep the Dominions below their high 1938 levels.<sup>2</sup> Because this did not really relate to the domestic price situation, British sheep farmers' incomes remained low in 1938/9 owing to the expansion of the national flock.<sup>3</sup> This led to calls for assistance from sheep farmers, especially those with sheep and barley systems.

#### Beef Cattle : Profits and Production

Beef cattle producers probably relied on the subsidy during the 1930s in order to obtain a constant level of incomes. Except for 1936/7, it afforded a relatively steady income from fat cattle production, and without it profits could have been consistently lower than in 1927/8, the worst year during the 1920s.<sup>4</sup> The continuous price fall during 1929-35 was not so severe in 1934 until the cattle subsidy was first introduced, but in 1935 prices fell again as sales increased.<sup>5</sup> As payments were introduced producers became 'subsidy conscious' and until 1936 sold more cattle than usual in order to obtain payments.<sup>6</sup> From 1930 to 1934 sales were reduced and stock numbers rose as beef cattle production became increasingly less profitable; thereafter these trends were reversed to 1936 when production and subsidized incomes rose as farmers had more confidence in the industry.

1. Drummond, Imperial Economic Policy, p.387.

2. Ibid. p.388.

3. Tables L.II-IV, L.XI; Graph F.IV; Graph F.IIIa, Types E, M, N; Graph F.III b, Sheep Farms.

4. Graph F.IV.

5. Tables L.I, L.V, L.X.

6. Tables L.III-V; Graph F.IV.

However, by depressing the market through oversupply, especially in 1934-6, farmers lost as much in cattle prices as they gained from subsidy payments.

The levels of domestic supply of fresh beef and lamb, and of consumer purchasing power, were of prime importance in determining beef prices. The level of production costs then determined profits, and chilled beef imports were of minor consequence, though perhaps having a seasonal relation with low quality domestic beef. Domestic beef production and Irish fat cattle imports were reduced after 1936,<sup>1</sup> and in 1937 the number of cattle presented for certification fell rapidly as supplies were exhausted and cattle were kept back to allow an expansion of herds. Sheepmeat sales also fell and beef and fat cattle prices rose.<sup>2</sup> However, cattle prices were reduced from late 1938 as Irish cattle imports rose with the removal of restrictions, as Canadian cattle imports increased, and also as domestic lamb production rose and sheep prices fell.<sup>3</sup> This situation produced the calls for an increase in subsidy payments. Protection against imports was important mostly for maintaining a price differential with the home product. The best quality British beef prices were higher but the differential was not constant, for domestic and imported meats catered for different markets.

Prices of store stock depended upon whether beef cattle production was expanding or contracting. Since fat cattle producers sold less stock than usual when prices were falling (and vice-versa) or when prices were stable and prospects seemed good, it has been suggested that store cattle prices reacted almost immediately to changes in fat cattle prices. However, it is possible that when buying for fattening most farmers had in mind only the current, and not future, fatstock prices. During 1931-4 feeders bore a larger proportion of the price fall than breeders as farmers avoided

1. Tables L.V and L.IX.

2. Tables L.I, L.V and L.X.

3. Tables L.I-II, L.V, L.IX-XI.



selling cattle at a loss, but as farmers bought cattle ready for finishing in anticipation of the subsidy the balance was restored. As the beef cattle population rose the margin between fat and store cattle prices in 1937 was only slightly lower than during the expansion of 1927-30, until store prices fell in 1939 as a result of Irish cattle imports.<sup>1</sup> In general, grass beef cattle producers' incomes might have been maintained but arable yard-fatteners did not do too well in the 1930s, and although farmers gained much support from fat cattle payments, many of them turned to milk production which offered better profits.

#### Fat Sheep : Profits and Production

Sheep farmers fared better than cattle producers in the 1930s, except for sharp falls at the ends of the decade. This was reflected by the general lack of government involvement with British sheep producers. High domestic output caused the extremely low prices and profits in 1931-3, and recovery was afforded by a reduction in sheepmeat output and by rising incomes in the economy. Sheep numbers, meat production, and incomes were then relatively stable until production costs rose from 1937/8 and lamb sales reached record levels in 1938/9. A price fall in 1938 occurred at the same time as an increase in production costs, and farmers called for direct government support.<sup>2</sup>

Following the Ottawa Conference imports were initially controlled by quota and remained relatively stable.<sup>3</sup> The only imported product likely to have affected domestic prices was New Zealand lamb, and this was probably more competitive with domestic mutton (which was a declining part of output) than with fresh lamb. Quota controls coincided with, but

1. MAF 31/21, MO 7048, LC 93, The Cattle Industry, 5 April, 1939.p.4.

2. Tables L.II. L.V, and L.XI; Graph F.IV.

3. Tables L.VII-IX, and L.XI.

did not cause domestic recovery, except by fixing a minimum price level for domestic meat (the level of frozen prices). This restriction might have been of benefit to some overseas exporters, where, by raising prices, quotas turned the terms of trade in their favour.<sup>1</sup>

Sheep prices suffered far less than cattle from the depression for although the fall in profits was more intense it was briefer and recovery was more substantial. Consumer demand was shifting from beef towards lamb, and British mutton and lamb had greater advantage over the imported frozen competing products than fresh beef had over more firmly established chilled supplies. Chilled lamb imports appeared only in very small quantities in the late 1930s. Sheep were produced for meat alone in the 1930s, unlike cattle which faced the disturbing effects of the milk industry, while the economic lag to production, important in a depression of falling prices, was greater for cattle than sheep. Cattle required 17-24 months' feeding and the veal trade was not expanding, while mutton was mature at 12-24 months, and lamb production, with sale at 7-12 months, was expanding, allowing a greater turnover.

Despite these advantages, and signs that the sheep industry had a six to seven-year cycle<sup>2</sup> and that any depression would be brief (if severe), the government was persuaded by the farm lobby to provide support when profits fell in 1938. Sheep were regarded as an important farming sector, and returns from sheep and barley systems were particularly depressed. Consequently, under Part IV of the Agricultural Development Act of July 1939, payments were provided on fat sheep sold for slaughter, and were administered by the Livestock Commission. These were available for home-bred sheep when the average monthly price per pound of dressed carcass weight was below an annual standard price of 10d. (the average price for 1933-8, when the industry had been profitable). If the UK sheep population

1. Tables GP.II, L.VII-VIII and L.XI.

2. MAF 37/156, Agricultural Development Bill, - Notes for Second Reading Speech, Pt.III, Fat Sheep.

exceeded 27m. (which since the War had only occurred in 1932), then a system of reductions and adjustments to the standard price would operate.<sup>1</sup> The government was intending to maintain the sheep population at a level that it believed would be profitable, and should this not be the right one, the Act allowed for its adjustment and a reduction in the level of payments.<sup>2</sup> Ideally the self adjustment would eradicate the need for a subsidy and reflected the government's belief that there was a 'natural level' for the sheep industry.

Payments were not only intended to allow remunerative returns to efficient sheep farmers, but to allow also for the seasonal nature of marketing, and as such were an advance on the method of payments employed by the Livestock Industry Act. Mountain sheep sales took place at a different time of year than those of lowland sheep, and the peak of grass-fed sales was different from that of arable sales. Since prices fluctuated seasonally, a fixed rate payment would have been inadequate to some farmers and overgenerous to others.<sup>3</sup> The initial average annual standard price of 10d. per lb. was adjusted to give monthly standard prices according to past experience, with an April maximum and September minimum. It was the government's intention to insure sheep producers against low prices and to check uneconomic expansion.

1. The standard price would be reduced  $\frac{1}{8}$ d. for each  $\frac{1}{4}$ m. above 27m., and an additional  $\frac{1}{8}$ d. for each  $\frac{1}{4}$ m. over 28m.. However, if in any two successive years the standard price exceeded the average market price, then 26m. would become the permitted level for the maximum subsidy, and if this situation were repeated, it might be reduced to 25m.. This process was then reversible if in two successive years the standard price was equal to or less than the average market price. A standard weight for eligibility for payments was to be specified.

2. MAF 37/156, Agricultural Development Bill - Notes for Second Reading Speech, Part III, Fat Sheep.

3. The fixed rate cattle payments did not allow the same profits to winter arable feeders as to summer grass fatteners.

Due to the difficulties of weighing sheep at markets and of allowing for wool, skin, and offals, subsidy payments were made in accordance with the dressed carcass weight in order to encourage quality production and higher killing-out ratios.<sup>1</sup> There were fixed rates in different weight classes in order to encourage lightweight sheep (lighter sheep in each class gained a greater payment per lb.). This was to meet a domestic demand which was increasingly concentrated upon the smaller joints, which the Dominions had done so much to provide, and for which home producers had developed lighter breeds of sheep. The subsidy was to strengthen the home producers' position, but was not available for ewes, rams, or early spring lambs which met a specialized demand and gained higher prices. The advent of the war, however, suspended the final preparations for the scheme and it was not put into operation. Had it operated in 1938 it would have cost an estimated £2½m.<sup>2</sup>

#### Government Livestock Policy, 1932-9

Government support for the livestock industry, as with the other major agricultural sectors, was based on two approaches. First it aimed at a subsidized and protective policy, and secondly it was intended to improve the farmers' position by bringing about production and marketing reforms. In this latter respect the Livestock Commission had more powers of compulsion than any other commodity commission or marketing board, and had a definite programme of reform under way by the outbreak of war.

However, it was the subsidies and import restrictions which attracted the most attention, especially in respect of beef. Criticism was levelled at the government on the grounds that quotas caused consumers unjustifiable expense and that the livestock industry ought not to be protected if it was uncompetitive. Because imports were not substitutable with home production, and domestic prices depended on domestic output, there is some

1. This was another advantage over the fat cattle subsidy. Even in 1938 less than 3% of cattle were sold by grade and deadweight. Hammond, Food, p.158.

2. MAF 37/156, Agricultural Development Bill, - Notes, Fat Sheep.

justification for these views. Although consumers would have paid more for imported meats in the event of restriction, in fact imported beef, veal, and lamb supplies increased after 1932 and there was less demand for mutton.<sup>1</sup> The price differential between imported and domestic meats was not greatly changed.<sup>2</sup> The government was concerned about restricting imports because this would restrict the flow of trade, and it was believed that more jobs would then be lost in the export sectors than were protected in agriculture. However, for low quality meat produce with price elasticities of demand of less than unity, restriction might raise prices and increase overseas sterling balances, which in the reciprocal pattern of British trade in the 1930s might increase export earnings. The direct subsidies introduced in 1936 placed less of a burden on individuals as taxpayers than quotas imposed on consumers and allowed a relaxation of quota levels.

The strength of the farm lobby was not insignificant in gaining fat cattle payments in 1934. Cattle were the mainstay of many farming systems and depressed incomes in the sectors involved could not be ignored. As producers avoided sales and as dairy herds rose total cattle numbers increased, threatening a complete collapse of the sector as cattle reached an age when they would have to be sold.<sup>3</sup> Unfortunately the cattle subsidy encouraged this movement, and left the government paying £5m. for a slightly higher level of production than had prevailed in the 1920s.<sup>4</sup> Producers also lost the benefits of the subsidy owing to the resulting fall in market prices. Consequently it is difficult to assess whether the subsidy was appropriate. Such an assessment must determine whether cattle numbers

1. Tables L.VI - L.VIII.

2. Tables L.X and L.XI.

3. Graph F.IV.

4. Table L.V.

would otherwise have fallen (and in doing so restored profitability) without severe dislocation or a reduction in the industry over a number of years. Yet stock numbers were also related to trends in the level and profitability of milk production. In the case of sheep the position is clearer. Sheep numbers were at a record level in 1932 and the high level of output caused the price fall. Thereafter as sheep numbers fell the sheep industry recovered quickly and securely until production rose to be too high at the end of the decade. There is no reason to believe that a similar recovery would not have reoccurred. However, government policy on the brink of war was influenced by considerations different from those of peacetime, and political pressures from the eastern counties and the NFU, critical of the whole direction of agricultural policy, could not be ignored.

Trade relations and political restraints resulting from the Ottawa Agreements had more to do with the direction of policy on subsidies in relation to livestock than to any other agricultural sector in this period. The government found itself trying to hold a balance between domestic farmers, the Dominions, Argentina, and industrial and exporting interests. The result was an attempt to effect a compromise acceptable to these groups, which left the government embroiled in complex overseas negotiations for most of the 1930s. Although no great damage was done to international relations, the fact that imports were largely not substitutable with domestic output meant that a direct subsidy alone would probably have sufficed, and obviated the need for import controls and continued and difficult negotiations.

Table L.I

Prices of Fat and Store Cattle and Calves, and of Hides,  
in Great Britain, 1911-13 to 1939.\*

YEAR	ENGLAND AND WALES <sup>1</sup> (AVERAGE 1 <sup>st</sup> &2 <sup>nd</sup> QUALITY)						SCOTLAND <sup>2</sup> (AVERAGE 1 <sup>st</sup> &2 <sup>nd</sup> QUALITY)						IMPORT
	FAT CATTLE.	FAT COWS.	VEAL CALVES.	STORE CATTLE		REARING CALVES.	FAT CATTLE.	VEAL CALVES.	STORE CATTLE.		REARING CALVES.	PRICE <sup>3</sup> OF HIDES.	
				YEARLINGS	TWO YEARS.				YEARLINGS.	TWO YEARS.			
s. d.	s. d.	d. PER LB.	£. s.	£. s.	s. d.	s. d.	d. PER LB.	£. s.	£. s.	s. d.	d.		
PER LIVE WT.	PER LIVE WT.	DEAD WEIGHT	PER HEAD.	PER HEAD.	PER HEAD.	PER LIVE WT.	DEAD WEIGHT.	PER HEAD.	PER HEAD.	PER HEAD.	PER LB.		
1911-13	37 0½	-	8 ¾	10 15	14 4	-	39 11¼	8	11 2	13 3	-	7.77	
1914	39 8	-	8 ¾	11 8	15 11	-	41 2½	8 ½	11 3	15 3	57 9½	9.11	
1915	50 10	-	10	12 8	17 12	-	54 1	9 ¼	11 18	17 8	61 2½	10.04	
1916	58 11½	-	11 ½	13 12	19 16	-	62 1½	9 ¾	14 10	20 5	68 5½	11.70	
1917	76 7	-	15 ½	16 2	24 18	-	79 3¼	11 ¼	18 0	26 11	85 9	15.52	
1918	72 8½	66 2	14 ¾	17 2	26 2	-	73 0	12 ¾	18 8	27 16	101 1	15.90	
1919	78 6	71 10½	12 ¾	15 15	23 16	-	78 5	13	18 2	28 6	86 4	17.10	
1920	91 9½	83 11½	19 ½	19 19	30 9	94 4½	97 7	17 ½	21 4	34 8	84 5½	20.10	
1921	82 9	69 3½	16 ½	19 15	28 17	84 6½	84 8½	15 ½	19 16	30 13	85 9	9.58	
1922	59 8½	45 9½	13	15 17	19 19	66 11	66 2	11 ¼	14 19	22 6	74 9	8.06	
1923	55 11	42 6	12 ½	13 6	19 9	62 6½	59 6	11 ¾	13 14	21 2	72 3½	8.23	
1924	55 7½	41 8	12 ½	11 16	20 11	76 6	61 7½	11 ¾	14 13	21 18	79 2	8.63	
1925	56 1½	42 0	12 ½	14 11	20 7	70 3	61 4½	14 ¾	14 18	20 9	90 1	9.87	
1926	51 6½	36 10	12 ¼	13 13	18 19	65 3½	57 10	12 ¾	14 19	20 7½	87 4	9.32	
1927	48 5	33 1½	12	13 10	17 15	62 3½	54 10½	12 ¾	14 12	19 9	86 4½	9.85	
1928	52 2	36 11	12 ½	13 11	18 6	62 3½	58 0½	11 ¾	13 10	18 2	83 9	12.09	
1929	50 10	35 7½	12 ½	12 18	18 10	63 3	53 7	12 ½	12 11	18 0	83 10	10.80	
1930	50 6½	35 6	12 ¾	14 1	18 16	70 3½	54 8½	12 ½	13 0	18 14	85 1	7.80	
1931	45 9	31 1	12	12 16	17 17	72 4½	49 4½	12 ½	12 13	17 15	80 5½	6.12	
1932	42 11½	27 10½	10 ½	11 5	15 16	62 8	44 0½	10 ½	12 3	16 6	77 5½	5.47	
1933	38 1½	24 1½	9 ½	10 0	12 19	51 11	41 0	7 ½	11 5	15 2	69 0½	5.65	
1934	37 5	23 6½	9 ¾	10 0	13 0	45 6½	41 2½	8	10 18	14 15	65 0½	5.71	
1935	34 5½	21 5½	9 ¾	10 6	13 2	44 4	38 8	8 ¼	10 11	14 15	62 6½	5.51	
1936	36 1½	22 3	9 ¾	11 0	14 3	49 8½	37 2	8 ½	11 2	14 17	63 0½	6.47	
1937	40 9½	26 0	11 ½	12 8	15 7	58 6	44 9	10 ½	12 17	16 14	69 8½	8.62	
1938	41 4	26 11½	10 ¾	12 12	15 19	58 8½	44 0½	10 ¼	14 1	17 7	78 10	6.35	
1939	42 5½	28 1½	10 ¾	12 1	16 5	57 2½	40 5½	10	13 11	17 11	75 6½	6.39	

\* Prices exclude subsidies.

1. Agricultural Statistics.

2. Agricultural Statistics for Scotland.

3. Editor of 'The Statist', 'Wholesale Prices of Commodities in 1924', 'Wholesale Prices in 1939', JRSS, 1925, p.277, 1940, p.360.

Table L.II

Prices of Fat and Store Sheep and Lambs, and of Wool,  
in Great Britain, 1911-13 to 1939.\*

YEAR	ENGLAND AND WALES <sup>1</sup>				SCOTLAND <sup>2</sup>		ENGLISH LINCOLN HALF- HOGS WOOL <sup>3</sup>	OVERAGE OF MERINO FORT PHILLIP AVERAGE FLEECE AND MERION ADELAIDE AVERAGE GREASY <sup>3</sup>
	FAT LAMBS.	FAT SHEEP.	FAT EWES.	STORE SHEEP.	FAT SHEEP.	STORE SHEEP.		
	d. PER lb. DEADWEIGHT	d. PER lb. DEADWEIGHT	d. PER lb. DEADWEIGHT	s. d. PER HEAD	d. PER lb. DEADWEIGHT	s. d. PER HEAD	d. PER lb.	d. PER lb.
1911-13	-	8	-	34 11	8 <sup>3</sup> / <sub>8</sub>	29 7	11	18.15
1914	-	9'	-	43 2	9 <sup>1</sup> / <sub>2</sub>	35 10	12 <sup>5</sup> / <sub>8</sub>	19.07
1915	-	10 <sup>1</sup> / <sub>4</sub>	-	46 8 <sup>1</sup> / <sub>2</sub>	10 <sup>3</sup> / <sub>4</sub>	37 4 <sup>1</sup> / <sub>2</sub>	17 <sup>3</sup> / <sub>8</sub>	22.08
1916	-	12 <sup>3</sup> / <sub>8</sub>	-	55 9	12 <sup>5</sup> / <sub>8</sub>	46 3 <sup>1</sup> / <sub>2</sub>	20	33.69
1917	-	15 <sup>1</sup> / <sub>2</sub>	-	62 3	16 <sup>1</sup> / <sub>8</sub>	53 8	20 <sup>7</sup> / <sub>8</sub>	46.40
1918	-	15 <sup>3</sup> / <sub>4</sub>	-	61 10	16 <sup>5</sup> / <sub>8</sub>	55 11	18 <sup>3</sup> / <sub>4</sub>	47.03
1919	-	17	-	63 6	16 <sup>7</sup> / <sub>8</sub>	62 2 <sup>1</sup> / <sub>2</sub>	22 <sup>5</sup> / <sub>8</sub>	66.74
1920	-	22	-	91 3	22 <sup>1</sup> / <sub>2</sub>	86 1	22	76.06
1921	-	17 <sup>7</sup> / <sub>8</sub>	13 <sup>1</sup> / <sub>2</sub>	82 11 <sup>1</sup> / <sub>2</sub>	19 <sup>5</sup> / <sub>8</sub>	77 6	8 <sup>3</sup> / <sub>8</sub>	29.66
1922	-	16 <sup>3</sup> / <sub>8</sub>	11 <sup>7</sup> / <sub>8</sub>	67 6	17 <sup>3</sup> / <sub>8</sub>	56 5	9 <sup>7</sup> / <sub>8</sub>	38.13
1923	-	15 <sup>1</sup> / <sub>4</sub>	10 <sup>5</sup> / <sub>8</sub>	71 11 <sup>1</sup> / <sub>2</sub>	16 <sup>5</sup> / <sub>8</sub>	63 8 <sup>1</sup> / <sub>2</sub>	12	43.64
1924	-	15 <sup>3</sup> / <sub>8</sub>	11	72 8	17	61 7	18 <sup>7</sup> / <sub>8</sub>	53.81
1925	-	15	10 <sup>5</sup> / <sub>8</sub>	70 6	16 <sup>1</sup> / <sub>4</sub>	55 6	17 <sup>1</sup> / <sub>6</sub>	39.83
1926	-	12 <sup>5</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>2</sub>	56 8	13 <sup>3</sup> / <sub>4</sub>	52 0 <sup>1</sup> / <sub>2</sub>	15	36.02
1927	15 <sup>1</sup> / <sub>2</sub>	12	7 <sup>1</sup> / <sub>2</sub>	51 11	12 <sup>3</sup> / <sub>4</sub>	47 0	15 <sup>11</sup> / <sub>32</sub>	37.50
1928	16 <sup>5</sup> / <sub>8</sub>	13 <sup>3</sup> / <sub>8</sub>	8 <sup>3</sup> / <sub>4</sub>	54 6 <sup>1</sup> / <sub>2</sub>	14 <sup>1</sup> / <sub>4</sub>	45 7	17 <sup>29</sup> / <sub>32</sub>	36.86
1929	16 <sup>5</sup> / <sub>8</sub>	12 <sup>5</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>4</sub>	56 3	14	45 4 <sup>1</sup> / <sub>2</sub>	16 <sup>1</sup> / <sub>6</sub>	33.05
1930	16	12 <sup>7</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>4</sub>	56 1 <sup>1</sup> / <sub>2</sub>	12 <sup>7</sup> / <sub>8</sub>	44 0	10 <sup>3</sup> / <sub>4</sub>	18.22
1931	13 <sup>7</sup> / <sub>8</sub>	10 <sup>5</sup> / <sub>8</sub>	6 <sup>1</sup> / <sub>2</sub>	47 1	11 <sup>1</sup> / <sub>4</sub>	34 0 <sup>1</sup> / <sub>2</sub>	8 <sup>1</sup> / <sub>2</sub>	14.83
1932	10 <sup>3</sup> / <sub>4</sub>	7 <sup>7</sup> / <sub>8</sub>	4 <sup>1</sup> / <sub>2</sub>	30 11 <sup>1</sup> / <sub>2</sub>	8 <sup>1</sup> / <sub>8</sub>	25 10 <sup>1</sup> / <sub>2</sub>	6 <sup>25</sup> / <sub>32</sub>	15.04
1933	11	8 <sup>7</sup> / <sub>8</sub>	4 <sup>7</sup> / <sub>8</sub>	30 5	9	27 5 <sup>1</sup> / <sub>2</sub>	5 <sup>29</sup> / <sub>32</sub>	19.91
1934	12 <sup>1</sup> / <sub>4</sub>	10 <sup>1</sup> / <sub>8</sub>	5 <sup>3</sup> / <sub>8</sub>	36 6 <sup>1</sup> / <sub>2</sub>			7	21.61
1935	12 <sup>1</sup> / <sub>4</sub>	10 <sup>1</sup> / <sub>4</sub>	5 <sup>3</sup> / <sub>8</sub>	39 8 <sup>1</sup> / <sub>2</sub>	10 <sup>5</sup> / <sub>8</sub>	30 5		
1936	12 <sup>1</sup> / <sub>2</sub>	10 <sup>1</sup> / <sub>8</sub>	5 <sup>3</sup> / <sub>8</sub>	40 11 <sup>1</sup> / <sub>2</sub>	10 <sup>1</sup> / <sub>2</sub>	34 7 <sup>1</sup> / <sub>4</sub>	7 <sup>11</sup> / <sub>32</sub>	20.34
1937	14 <sup>1</sup> / <sub>8</sub>	11 <sup>3</sup> / <sub>8</sub>	6 <sup>3</sup> / <sub>8</sub>	45 4	10 <sup>1</sup> / <sub>4</sub>	34 4 <sup>1</sup> / <sub>2</sub>	10 <sup>5</sup> / <sub>8</sub>	25.21
1938	11 <sup>1</sup> / <sub>8</sub>	8 <sup>5</sup> / <sub>8</sub>	5	35 9	12	41 6	16 <sup>9</sup> / <sub>10</sub>	26.91
1939	12 <sup>1</sup> / <sub>8</sub>	9 <sup>7</sup> / <sub>8</sub>	5 <sup>3</sup> / <sub>8</sub>	37 11	8 <sup>7</sup> / <sub>8</sub>	32 3	16 <sup>9</sup> / <sub>10</sub>	18.64
					10	33 6	12 <sup>1</sup> / <sub>8</sub>	18.22

\* Prices exclude subsidies.

1. Agricultural Statistics.

2. Agricultural Statistics for Scotland.

3. Editor of 'The Statist', 'Wholesale Prices of Commodities in 1924', 'Wholesale Prices in 1939', JRSS, 1925, p.277, 1940, p.360.



Table L. III  
GREAT BRITAIN.

NUMBER of CATTLE, SHEEP, PIGS and HORSES in EACH of the YEARS 1911 to 1939.

YEARS.	CATTLE.						SHEEP.			PIGS.			HORSES.				
	Cows in Milk.	Cows in Calf.	Heifers in Calf.	Other Cattle Under 1 year.	Other Cattle 1 and under 2.	Other Cattle 2 Years and over.	TOTAL.	Ewes kept for Breeding.	Other Sheep 1 year and above.	Other Sheep under 1 year.	TOTAL.	Sows.	Other Pigs.	TOTAL.	Horses used for Agricultural Purposes.	Other Horses.	TOTAL.
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
1911	2,825,019			4,299,215			7,114,264	10,443,488	16,051,504		26,494,992			2,822,154			1,180,575
1912	2,781,349			4,241,707			7,026,096	10,119,598	14,938,134		25,057,732			2,655,797			1,141,023
1913	2,695,391			4,263,463			6,963,854	9,613,289	14,316,123		23,931,412			2,233,855			1,321,401
1914	2,937,923			4,154,995			7,092,918	9,813,342	14,472,172		24,285,514			2,634,249			1,296,188
1915	2,883,696			4,404,391			7,288,087	9,876,646	14,721,729		24,598,375			2,579,084			1,212,756
1916	2,870,458			4,571,697			7,442,155	10,065,887	14,941,100		25,006,987			2,314,331			1,292,626
1917	2,906,596			4,530,411			7,437,007	9,899,030	14,141,061		24,043,091			2,051,486			1,323,523
1918	3,030,255			4,380,072			7,410,327	9,501,477	13,851,896		23,353,373			1,825,073			1,336,828
1919	3,009,108			4,415,068			7,424,176	8,590,423	12,913,929		21,534,352			1,936,373			1,338,379
1920	2,787,307			3,925,210			6,712,517	7,864,876	11,878,725		19,743,601			2,122,483			1,312,298
1921	2,944,445			3,715,414			6,659,859	8,151,349	12,338,676		20,490,024			2,650,964			1,601,208
1922	2,974,172			3,895,206			6,869,468	8,300,675	11,821,442		20,122,117			2,449,820			1,552,261
1923	3,070,160			3,946,422			7,016,582	8,408,552	12,212,704		20,621,256			2,797,633			1,485,112
1924	3,111,590			3,947,136			7,058,726	8,985,694	12,743,653		21,729,347			3,427,166			1,425,894
1925	3,163,523			4,204,598			7,368,121	9,452,978	13,610,636		23,093,614			2,798,576			1,349,673
1926	3,206,732			4,244,181			7,450,913	9,870,107	14,191,712		24,061,819			2,345,431			1,307,491
1927	3,451,647			1,503,315		1,285,869	7,485,690	10,201,285	3,907,339	10,499,128	24,607,752	410,596	2,468,531	2,888,127	1,045,748	203,575	1,249,323
1928	3,422,604			1,465,439		1,219,199	7,240,281	10,122,677	3,657,632	10,199,205	23,978,314	402,273	2,764,274	3,166,547	1,014,405	189,793	1,204,198
1929	3,409,704			1,444,874		1,231,718	7,190,539	9,998,345	3,519,373	10,143,255	23,660,973	323,274	2,185,486	2,508,760	980,287	179,991	1,160,278
1930	3,384,162			1,421,677		1,205,128	7,085,775	10,135,961	3,467,876	10,361,557	23,965,394	333,555	2,119,955	2,453,510	949,241	168,428	1,117,669
1931	3,389,313			1,423,711		1,147,993	7,273,890	10,677,509	3,860,536	11,041,977	25,580,022	422,849	2,522,362	2,945,211	926,004	165,158	1,091,162
1932	3,467,906			1,457,963		1,146,986	7,591,278	11,076,979	4,012,475	11,322,388	26,411,842	444,976	2,404,907	3,349,883	912,924	154,246	1,067,170
1933	3,543,561			1,566,434		1,213,150	7,913,825	11,153,656	3,458,476	11,288,890	25,901,022	427,612	2,808,564	3,236,176	905,108	146,963	1,052,071
1934	3,582,820			1,537,221		1,251,280	7,973,351	10,662,722	2,724,066	10,795,730	24,182,518	478,658	3,047,779	3,526,437	800,859	172,761	1,033,620
1935	3,602,895			1,643,464		1,222,108	7,859,638	10,465,510	2,794,377	10,983,528	24,243,415	526,125	3,547,461	4,073,586	859,821	161,025	1,020,846
1936	3,595,947			1,582,890		1,209,609	7,853,307	10,548,232	2,642,550	11,014,641	24,205,423	512,161	3,528,015	4,040,176	841,495	171,248	1,012,743
1937	3,582,804			1,590,133		1,221,252	7,909,126	10,605,729	2,457,550	11,648,775	24,712,054	486,614	3,395,977	3,882,591	842,336	162,350	1,004,686
1938	3,606,319			1,600,657		1,204,520	8,029,992	11,916,601	2,610,259	11,355,130	25,881,990	463,496	3,358,145	3,821,641	853,067	147,559	1,001,526
1939	3,628,288			1,676,505		1,253,196	8,118,788	12,049,569	2,278,756	11,664,468	25,992,793	478,836	3,288,529	3,767,365	841,792	145,623	987,415

1. Agricultural Statistics.

Table L. IV

## ENGLAND AND WALES.

NUMBER OF CATTLE, SHEEP, PIGS and HORSES in EACH of the YEARS 1911 to 1939. <sup>1</sup>

YEARS.	CATTLE.						SHEEP.			PIGS.			HORSES.			
	Cows in Milk.	Cows in Calf.	Heifers in Calf.	Other Cattle Under 1 year.	Other Cattle 1 and under 2.	Other Cattle 2 Years and over.	TOTAL.	Ewes kept for Breeding.	Other Sheep.	TOTAL.	Sows.	Other Pigs.	TOTAL.	Horses used for Agricultural Purposes.	Other Horses.	TOTAL.
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
1911		2,392,880			3,521,367		5,914,247	7,470,075	11,860,575	19,330,650			2,651,039			1,281,003
1912		2,347,919			3,493,801		5,841,720	7,148,109	10,905,256	18,053,365			2,496,670			1,218,003
1913		2,264,403			3,452,511		5,716,914	6,699,291	10,430,995	17,130,286			2,102,102			1,141,103
1914		2,484,220			3,393,721		5,877,941	6,838,334	10,421,360	17,259,694			2,481,181			1,113,971
1915		2,434,503			3,629,651		6,064,154	6,871,738	10,650,839	17,522,577			2,420,027			1,038,088
1916		2,429,682			3,786,099		6,215,781	7,047,107	10,901,016	17,951,123			2,167,941			1,109,718
1917		2,464,794			3,762,351		6,227,145	6,872,029	10,297,828	17,169,857			1,918,541			1,437,801
1918		2,577,966			3,622,519		6,200,485	6,486,775	9,988,400	16,475,175			1,697,066			1,150,055
1919		2,553,483			3,611,056		6,194,539	5,764,300	9,360,013	15,121,313			1,798,468			1,149,930
1920		2,352,828			3,193,977		5,546,805	5,108,452	8,274,221	13,382,673			1,993,924			1,121,722
1921		2,501,397			3,015,327		5,516,724	5,336,530	8,494,977	13,831,513			2,505,460			1,384,587
1922		2,521,941			3,200,720		5,722,661	5,428,146	8,009,874	13,438,020			2,288,936			1,340,495
1923		2,614,797			3,208,195		5,822,992	5,305,245	8,330,288	13,835,533			2,611,606			1,281,279
1924		2,663,202			3,231,127		5,894,329	5,993,581	8,819,614	14,843,195			3,228,330			1,232,198
1925		2,713,172			3,450,158		6,163,330	6,397,091	9,577,703	15,974,794			2,644,356			1,164,210
1926	2,065,118	294,590	589,578	1,229,485	1,221,437	1,052,877	6,253,085	6,754,836	10,103,849	16,858,685	300,842	1,899,170	2,200,012	926,790	202,006	1,128,796
1927	2,096,387	307,059	387,257	1,198,164	1,226,498	1,059,875	6,275,240	6,902,142	10,110,133	17,072,275	392,934	2,298,580	2,691,514	893,307	183,914	1,077,221
1928	2,066,483	301,774	355,231	1,119,897	1,174,956	1,008,092	6,026,433	6,846,912	9,552,698	16,399,610	380,063	2,590,980	2,971,043	866,957	171,503	1,038,460
1929	2,054,073	293,715	364,763	1,102,254	1,143,640	999,149	5,957,594	6,717,258	9,388,195	16,105,453	307,144	2,059,399	2,366,543	836,467	162,806	999,273
1930	2,033,381	288,768	352,790	1,086,543	1,117,075	971,219	5,849,776	6,810,727	9,505,116	16,315,843	315,655	1,994,586	2,310,241	808,842	152,511	961,353
1931	2,043,077	321,720	425,336	1,208,345	1,130,396	936,169	6,065,043	7,262,519	10,486,716	17,749,235	402,421	2,380,584	2,783,008	789,488	149,006	938,491
1932	2,116,616	352,039	402,813	1,305,886	1,241,753	996,454	6,358,015	7,634,366	10,861,052	18,495,418	425,204	2,759,354	3,184,558	777,747	139,326	917,073
1933	2,179,007	358,177	417,991	1,311,692	1,356,867	1,041,362	6,660,155	7,767,937	10,321,941	18,089,878	405,643	2,663,505	3,069,148	771,451	131,137	902,688
1934	2,213,918	363,933	417,310	1,254,557	1,369,075	1,009,334	6,541,144	7,308,355	9,218,687	16,527,042	450,351	2,869,804	3,320,158	727,835	157,729	885,564
1935	2,232,113	382,229	436,816	1,166,919	1,313,733	1,009,334	6,541,144	7,124,852	9,352,148	16,477,000	494,132	3,319,241	3,813,373	727,156	146,696	873,852
1936	2,227,456	405,149	413,493	1,215,750	1,251,353	997,058	6,540,259	7,237,901	9,410,125	16,648,026	483,244	3,320,548	3,803,792	707,917	157,670	865,387
1937	2,217,437	394,410	456,076	1,265,433	1,274,390	1,011,467	6,619,213	7,320,538	9,873,645	17,194,183	455,350	3,179,585	3,634,935	709,531	149,175	858,708
1938	2,230,829	374,970	462,520	1,366,374	1,290,168	983,400	6,714,261	8,532,905	9,379,603	17,912,508	433,512	3,130,755	3,564,267	722,355	134,358	856,713
1939	2,254,584	391,615	458,977	1,284,250	1,345,913	1,034,806	6,770,145	8,637,240	9,348,419	17,985,659	448,741	3,066,360	3,515,101	714,094	131,850	845,854

1. Agricultural Statistics.

§ Includes two-tooth ewes; the figures under this and other headings for sheep are thus not exactly comparable with those for earlier years.

† Including stallions and unbroken horses.

Table L.V

Number of Beef Cattle, Sheep, Number Sold for Slaughter,  
and Volume of Beef, Mutton, and Lamb Produced in Great  
Britain, 1909-13 to 1938/9.<sup>1</sup>

YEAR (JUNE TO MAY).	ESTIMATED NUMBER OF BEEF CATTLE, 2	CATTLE SOLD FOR BEEF AND VEAL.	PER CENT SOLD.	PRODUCTION OF BEEF AND VEAL.	NUMBER OF SHEEP.	SHEEP SOLD FOR SLAUGHTER.	PER CENT SOLD.	PRODUCTION OF LAMB, 3	PRODUCTION OF MUTTON, 3
	No.	No.	%.	CWT.	No.	No.	%.	CWT.	CWT.
1909-13	4 259 120	-	-	12 561 000	26 041 099	-	-	5 650 000	
1914/15	4 154 995	-	-	-	24 285 514	-	-	-	-
1915/16	4 404 391	-	-	-	24 593 375	-	-	-	-
1916/17	4 571 697	-	-	-	25 006 987	-	-	-	-
1917/18	4 530 411	-	-	-	24 043 091	-	-	-	-
1918/19	4 380 072	-	-	-	23 353 373	-	-	-	-
1919/20	4 415 068	-	-	-	21 534 352	-	-	-	-
1920/21	3 925 210	2 503 000	63.8	10 037 000	19 743 601	7 027 000	35.6	1 549 753	1 670 247
1921/22	3 715 414	2 391 000	64.4	9 489 000	20 490 024	8 293 000	40.5	2 004 683	1 800 317
1922/23	3 895 296	2 686 000	69.0	10 584 000	20 122 117	7 542 000	37.5	2 027 112	1 433 389
1923/24	3 946 422	2 708 000	68.6	10 783 000	20 621 256	7 545 000	36.6	2 114 998	1 345 002
1924/25	3 947 136	2 643 000	67.0	10 741 000	21 729 347	7 740 000	35.6	2 193 850	1 352 150
1925/26	4 204 593	2 636 000	63.9	10 875 000	23 093 614	9 137 000	39.6	2 389 637	1 520 363
1926/27	4 244 131	2 744 000	64.7	10 804 000	24 061 819	9 898 000	41.1	2 837 230	1 714 677
1927/28	4 234 670	2 943 000	69.5	11 523 000	24 607 752	10 962 000	44.5	3 178 327	1 785 634
1928/29	4 057 576	2 901 000	71.5	11 576 000	23 978 314	10 535 000	43.9	3 028 953	1 682 047
1929/30	4 024 247	2 929 000	72.7	11 756 000	23 660 973	10 067 000	42.5	3 027 563	1 530 432
1930/31	3 957 779	2 689 000	67.9	11 036 000	23 965 394	9 320 000	38.9	2 868 791	1 294 209
1931/32	4 029 670	2 566 000	63.7	10 425 000	25 580 022	10 506 000	41.1	3 227 717	1 463 281
1932/33	4 254 357	2 562 000	60.2	10 245 000	26 411 842	11 943 000	45.2	3 604 699	1 727 301
1933/34	4 474 741	2 830 000	63.2	11 142 000	25 901 022	12 616 000	48.7	3 892 934	1 739 016
1934/35	4 481 963	3 165 000	70.6	12 280 000	24 182 518	10 652 000	44.0	3 467 963	1 288 037
1935/36	4 311 242	3 221 000	74.7	12 792 000	24 243 415	10 680 000	44.1	3 648 462	1 119 538
1936/37	4 282 153	3 169 000	74.0	12 561 000	24 205 423	10 387 000	42.9	3 660 234	1 061 766
1937/38	4 345 913	2 992 000	68.8	11 993 000	24 712 054	10 460 000	42.3	3 667 651	1 090 349
1938/39	4 453 878	3 101 000	69.6	11 997 000	25 831 990	11 562 000	44.6	4 072 449	1 207 551

1. Agricultural Statistics; Agricultural Statistics for  
Scotland; Econ Ser. No. 39, Fat Stock.

2. 'Other Cattle Under 1 Year', '1 and Under 2 Years', '2 Years  
and Over' from 4 June Cattle Returns, Agricultural Statistics.

3. Apportioned from mutton and lamb figures using Stone,  
Consumer Expenditure and Behaviour, p. 50.

Table L.VI

UK Imports of Beef and Veal (excluding offals, essences and tinned or canned meats), 1911-13 to 1939.<sup>1</sup>

YEAR	FRESH MEAT. <sup>2</sup> CWT.	CHILLED BEEF AND VEAL.				FROZEN AND SALTED BEEF AND VEAL.				TOTAL OF ALL BEEF AND VEAL. CWT.	PERCENT FROM THE EMPIRE. %
		ARGENTINA	AUSTR.	N.Z.	OTHER <sup>3</sup>	ARGENTINA	AUSTR.	N.Z.	OTHER.		
1911-13	8 509	4 230 134	747	0	71 616	2 345 829	982 729	254 122	1 293 896	9 237 582	13.5
1914	5 252	4 649 718	0	0	162 491	1 343 468	1 651 001	476 680	685 850	8 874 408	22.8
1915	2 093	1 702 186	0	0	416 360	3 354 275	1 236 938	735 226	682 600	8 669 672	24.1
1916	45	1 275 647	0	0	592 270	2 762 031	765 493	875 086	846 740	7 117 312	25.4
1917	3 883	1 073 102	0	0	421 973	1 598 030	1 107 704	760 074	1 205 054	6 169 840	35.7
1918	0	124 460	0	0	39 499	1 252 807	547 660	388 322	4 650 658	7 603 466	20.7
1919	0	123 824	0	0	1 779	3 743 916	622 312	424 735	1 644 439	6 560 991	20.1
1920	31 962	960 397	0	0	54 104	5 200 033	791 819	839 876	1 438 883	9 317 074	19.7
1921	112 336	2 725 440	0	0	282 750	4 397 910	1 630 842	811 744	1 168 812	11 129 264	22.6
1922	234 940	5 198 258	0	0	782 918	2 662 696	1 123 512	577 154	436 846	10 416 324	17.4
1923	234 653	6 971 983	0	0	658 446	2 228 241	811 771	768 382	528 916	12 202 378	13.5
1924	180 391	7 758 019	0	0	543 827	1 732 757	726 781	572 597	527 679	12 042 071	11.3
1925	247 263	7 511 338	550	3 430	717 769	1 047 893	1 281 134	519 417	510 643	11 839 437	16.1
1926	172 313	8 956 806	11 349	1 751	710 056	920 580	1 071 492	546 743	263 612	12 654 714	13.2
1927	21 609	9 986 205	1 774	0	416 996	979 359	602 140	322 043	294 419	12 636 545	7.7
1928	77 131	8 644 551	1 035	50	918 824	353 882	961 044	472 839	226 622	11 656 038	24.2
1929	44 487	8 174 800	1 524	376	1 128 226	428 772	872 515	161 395	250 895	11 062 996	9.8
1930	21 073	7 713 319	0	0	1 373 661	321 817	743 706	348 370	453 743	10 671 310	10.7
1931	6 636	7 911 175	0	0	1 377 101	231 474	1 060 517	469 499	359 908	11 416 340	13.5
1932	4 933	7 804 366	197	0	994 178	189 710	877 842	625 347	223 739	10 740 322	14.4
1933	38 444	6 951 833	2378	1642	1 215 467	218 359	1 135 084	799 696	210 824	10 573 787	20.6
1934	610	6 942 113	54 927	33 403	1 220 845	133 693	1 543 805	1 003 732	165 254	11 098 382	25.8
1935	43	6 937 141	228 473	110 677	1 209 238	126 548	1 401 528	783 672	187 004	10 920 434	25.1
1936	196	7 108 768	295 453	228 263	1 147 221	142 705	1 434 425	576 230	174 026	11 127 262	26.0
1937	20	6 993 075	451 967	305 433	1 219 224	131 017	1 739 471	522 055	234 487	11 602 749	28.3
1938	2365	6 888 542	527 608	360 850	1 126 501	197 087	1 663 325	548 957	155 363	11 530 602	28.1
1939	14 382	5 225 334	430 316	337 175	1 031 243	1 774 659	1 756 706	636 737	228 830	11 435 462	29.0

1. Annual Statements of the Board of Trade.

2. Predominantly from Denmark and the Netherlands until 1926, and then from the Irish Free State.

3. Predominantly from Brazil and Uruguay.

Table L.VII

UK Imports of Mutton (excluding offals and tinned and canned meats), 1911-13 to 1939.<sup>1</sup>

YEAR	FRESH MUTTON <sup>2</sup>	FROZEN AND CHILLED MUTTON IMPORTS.				TOTAL OF ALL MUTTON IMPORTS.	PER CENT FROM THE EMPIRE
	CWT.	AUSTRALIA. CWT.	NEW ZEALAND. CWT.	ARGENTINA. CWT.	OTHER. CWT.		
1911-13	135 343	1 311 741	2 115 808	1 461 204	203 201	5 227 297	65.6
1914	150 495	1 326 055	2 377 334	1 145 533	200 264	5 199 731	71.2
1915	48 941	1 254 493	2 422 806	781 735	199 884	4 707 859	78.1
1916	16 510	261 352	2 287 961	768 259	303 065	3 637 147	70.1
1917	26 613	496 114	1 235 275	470 836	340 221	2 569 059	67.5
1918	0	26 163	1 234 005	707 250	118 730	2 086 148	60.4
1919	0	758 579	1 999 444	974 848	342 085	4 074 956	67.8
1920	49 347	1 811 252	2 207 193	646 317	205 823	4 919 932	81.7
1921	68 046	208 220	2 539 256	910 677	526 780	4 252 979	64.7
1922	124 146	427 756	1 475 934	855 766	230 560	3 114 162	61.1
1923	102 854	652 309	811 895	1 076 296	384 638	3 028 542	48.4
1924	108 649	101 752	939 200	991 587	445 480	2 587 268	40.3
1925	107 539	84 963	1 041 529	1 010 287	384 925	2 629 293	42.9
1926	29 119	214 379	1 029 936	735 508	525 429	2 594 421	50.3
1927	4 268	192 440	1 047 682	788 681	392 478	2 425 549	51.3
1928	3 477	211 681	962 891	706 145	473 052	2 357 246	50.0
1929	1 056	128 858	883 789	654 865	419 235	2 087 803	48.6
1930	417	254 238	1 172 262	656 685	375 005	2 458 607	58.1
1931	609	502 211	1 105 105	485 350	1 81 438	2 274 713	70.7
1932	261	190 952	1 335 884	354 233	184 465	2 065 795	74.0
1933	307	347 409	998 547	217 174	177 151	1 740 588	77.4
1934	127	461 259	898 965	137 748	98 843	1 596 942	85.2
1935	0	424 050	1 041 563	150 423	48 428	1 714 464	85.5
1936	0	227 097	888 864	121 908	106 412	1 344 281	83.0
1937	0	405 929	862 182	110 907	120 207	1 499 225	84.9
1938	0	367 044	1 014 652	48 884	124 336	1 604 916	86.3
1939	0	322 908	815 912	104 664	91 149	1 334 633	86.7

1. Annual Statements of the Board of Trade, (1911-13 to 1919 figures include lamb shipments).

2. Predominantly from the Netherlands until 1926, and then almost exclusively from the Irish Free State.

Table L.VIII

UK Imports of Lamb (excluding offals and tinned and  
canned meat), 1911-13 to 1939.<sup>1</sup>

YEAR.	FRESH LAMB.*	FROZEN AND CHILLED LAMB IMPORTS.				TOTAL OF ALL LAMB IMPORTS.	PERCENT FROM THE EMPIRE.
	CWT.	AUSTRALIA. CWT.	NEW ZEALAND. CWT.	ARGENTINA. CWT.	OTHER. CWT.	CWT.	%.
1911-13							
1914							
1915							
1916	Imports of lamb prior to 1920 enumerated with mutton statistics						
1917							
1918							
1919							
1920	8 875	446 832	867 655	127 377	28 271	1 479 010	88.9
1921	3 405	229 027	1 357 857	500 195	486 443	2 576 927	61.9
1922	16 401	556 354	1 540 129	574 511	47 206	2 734 601	76.7
1923	10 557	619 047	1 474 778	668 379	63 443	2 836 224	73.8
1924	12 712	350 724	1 463 433	589 467	93 423	2 509 759	72.6
1925	16 569	441 888	1 460 400	831 266	94 936	2 845 059	66.9
1926	5 357	536 495	1 591 006	534 035	107 336	2 774 229	76.7
1927	9 274	432 377	1 679 240	747 802	228 267	3 097 010	68.5
1928	18 248	334 846	1 831 914	805 323	295 915	3 286 246	66.5
1929	21 961	464 632	1 862 298	890 297	326 934	3 566 122	65.9
1930	19 129	555 932	2 120 580	795 358	454 848	3 945 847	68.3
1931	24 398	1 027 134	2 364 656	1 067 959	373 426	4 857 573	70.3
1932	6 988	961 140	2 570 958	1 017 417	312 025	4 868 528	72.7
1933	43 693	956 948	2 736 546	429 420	289 574	4 956 121	75.4
1934	12 755	1 165 848	2 655 611	783 868	276 652	4 894 734	78.3
1935	53 121	1 360 158	2 591 399	754 827	277 309	5 036 814	79.5
1936	21 082	1 268 909	2 641 494	777 996	267 052	4 976 533	79.0
1937	15 467	1 476 615	2 740 202	778 943	306 738	5 317 965	79.6
1938	23 913	1 531 232	2 660 882	794 712	297 095	5 307 834	79.5
1939	23 270	1 305 702	2 736 479	817 656	340 278	5 223 985	77.9

\* Exclusively from the Irish Free State after 1926.  
1. Annual Statements of the Board of Trade.

Table L.IX

UK Imports of Live Cattle and Sheep, 1911-13 to 1939.

YEAR.	LIVE CATTLE, BULLOCKS, COWS, HEIFERS AND CALVES IMPORTED FOR FOOD.			LIVE SHEEP AND LAMBS IMPORTED FOR FOOD.		
	EIRE. <sup>1</sup>	CANADA.	OTHER. <sup>2</sup>	EIRE. <sup>1</sup>	CANADA.	OTHER. <sup>2</sup>
1911-13	-	16 931	71 086	-	2 187	19 014
1914	-	0	2 234	-	0	1 707
1915	-	0	0	-	0	0
1916	-	0	0	-	0	0
1917	-	0	0	-	0	0
1918	-	0	0	-	0	0
1919	-	0	0	-	0	0
1920	-	0	0	-	0	0
1921	-	31 792	34 882	-	2 056	8 648
1922	-	19 959	29 598	-	0	0
1923	522 446	45 417	16 532	365 454	201	6 800
1924	931 614	76 977	1 607	584 857	0	4 250
1925	688 120	110 154	1 870	400 587	0	0
1926	628 918	79 079	871	482 216	0	0
1927	628 999	7 669	200	584 397	0	0
1928	724 372	405	140	591 691	0	0
1929	749 570	0	692	584 631	0	0
1930	834 962	5 193	406	567 192	0	0
1931	738 967	26 991	565	561 165	0	0
1932	625 887	15 715	0	440 871	0	0
1933	582 164	51 433	0	318 299	0	0
1934	458 164	51 373	0	362 989	0	0
1935	577 740	6 478	0	278 969	0	0
1936	657 301	37 757	0	455 583	0	0
1937	640 998	9 053	0	311 752	0	0
1938	620 230	26 450	0	298 432	0	0
1939	702 964	2 843	0	391 909	0	0

1. From 1 April 1923.

2. These were predominantly from the USA and Channel Islands before 1926, and from the Channel Islands until 1931.

3. From the USA except in 1924 when these animals were consigned from the Irish Free State.

Table L.X

Annual Average Beef Prices in Great Britain, 1911-13 to 1939.<sup>1</sup>

YEAR	BRITISH FRESH.				IMPORTED PRESERVED.					
	ENGLISH LONG SIDES.	SCOTCH LONG SIDES.	SCOTCH SHORT SIDES.	LOW AND BULL BEEF.	ARGENTINE.		AUSTRALIAN.		NEW ZEALAND.	
	d. PER lb.	d. PER lb.	d. PER lb.	d. PER lb.	CHILLED	FROZEN	CHILLED	FROZEN	CHILLED	FROZEN
1911-13	5 <sup>7</sup> / <sub>8</sub>	6 <sup>1</sup> / <sub>8</sub>	7 <sup>1</sup> / <sub>8</sub>	5	4	3 <sup>1</sup> / <sub>2</sub>	-	3 <sup>1</sup> / <sub>2</sub>	-	3 <sup>1</sup> / <sub>2</sub>
1914	6 <sup>3</sup> / <sub>8</sub>	7	7 <sup>1</sup> / <sub>4</sub>	5 <sup>3</sup> / <sub>8</sub>	5 <sup>1</sup> / <sub>4</sub>	5 <sup>1</sup> / <sub>8</sub>	-	5	-	5
1915	8 <sup>1</sup> / <sub>4</sub>	9	9 <sup>3</sup> / <sub>8</sub>	7 <sup>1</sup> / <sub>4</sub>	7 <sup>3</sup> / <sub>8</sub>	7	-	6 <sup>7</sup> / <sub>8</sub>	-	6 <sup>7</sup> / <sub>8</sub>
1916	9 <sup>5</sup> / <sub>8</sub>	10 <sup>3</sup> / <sub>8</sub>	10 <sup>7</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>2</sub>	8 <sup>5</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>4</sub>	-	7 <sup>3</sup> / <sub>4</sub>	-	-
1917	13	13 <sup>1</sup> / <sub>4</sub>	14	11 <sup>1</sup> / <sub>4</sub>	11 <sup>1</sup> / <sub>8</sub>	10 <sup>3</sup> / <sub>8</sub>	-	-	-	-
1918	12 <sup>3</sup> / <sub>4</sub>	12 <sup>3</sup> / <sub>4</sub>	13 <sup>3</sup> / <sub>8</sub>	12 <sup>1</sup> / <sub>2</sub>	-	12 <sup>1</sup> / <sub>4</sub>	-	-	-	-
1919	13 <sup>1</sup> / <sub>2</sub>	13 <sup>1</sup> / <sub>2</sub>	-	13	-	11 <sup>3</sup> / <sub>4</sub>	-	-	-	-
1920	15 <sup>5</sup> / <sub>8</sub>	16 <sup>1</sup> / <sub>4</sub>	-	14 <sup>1</sup> / <sub>4</sub>	-	10 <sup>1</sup> / <sub>4</sub>	-	10 <sup>1</sup> / <sub>4</sub>	-	10 <sup>1</sup> / <sub>4</sub>
1921	14	15 <sup>1</sup> / <sub>8</sub>	17	11	8	7 <sup>3</sup> / <sub>4</sub>	-	6 <sup>3</sup> / <sub>4</sub>	-	-
1922	9 <sup>7</sup> / <sub>8</sub>	11 <sup>1</sup> / <sub>2</sub>	13 <sup>3</sup> / <sub>8</sub>	7 <sup>1</sup> / <sub>4</sub>	5 <sup>1</sup> / <sub>2</sub>	4 <sup>3</sup> / <sub>4</sub>	-	4 <sup>1</sup> / <sub>4</sub>	-	-
1923	9 <sup>1</sup> / <sub>2</sub>	10 <sup>3</sup> / <sub>4</sub>	12 <sup>1</sup> / <sub>8</sub>	7	5 <sup>1</sup> / <sub>8</sub>	4 <sup>5</sup> / <sub>8</sub>	-	4 <sup>5</sup> / <sub>8</sub>	-	4 <sup>1</sup> / <sub>2</sub>
1924	9 <sup>5</sup> / <sub>8</sub>	11 <sup>1</sup> / <sub>8</sub>	12 <sup>1</sup> / <sub>4</sub>	7 <sup>1</sup> / <sub>4</sub>	5 <sup>1</sup> / <sub>2</sub>	4 <sup>7</sup> / <sub>8</sub>	-	4 <sup>3</sup> / <sub>4</sub>	-	4 <sup>5</sup> / <sub>8</sub>
1925	9 <sup>1</sup> / <sub>2</sub>	10 <sup>7</sup> / <sub>8</sub>	11 <sup>3</sup> / <sub>4</sub>	7 <sup>1</sup> / <sub>2</sub>	5 <sup>7</sup> / <sub>8</sub>	5 <sup>1</sup> / <sub>4</sub>	-	5	-	4 <sup>7</sup> / <sub>8</sub>
1926	8 <sup>3</sup> / <sub>4</sub>	10 <sup>1</sup> / <sub>8</sub>	10 <sup>7</sup> / <sub>8</sub>	6 <sup>7</sup> / <sub>8</sub>	5 <sup>3</sup> / <sub>8</sub>	4 <sup>3</sup> / <sub>4</sub>	-	4 <sup>5</sup> / <sub>8</sub>	-	4 <sup>3</sup> / <sub>8</sub>
1927	8	9 <sup>5</sup> / <sub>8</sub>	10 <sup>3</sup> / <sub>8</sub>	5 <sup>5</sup> / <sub>8</sub>	5 <sup>1</sup> / <sub>8</sub>	4 <sup>5</sup> / <sub>8</sub>	-	4 <sup>3</sup> / <sub>8</sub>	-	4 <sup>1</sup> / <sub>4</sub>
1928	8 <sup>1</sup> / <sub>2</sub>	10 <sup>1</sup> / <sub>4</sub>	10 <sup>3</sup> / <sub>4</sub>	6 <sup>3</sup> / <sub>8</sub>	5 <sup>7</sup> / <sub>8</sub>	5 <sup>1</sup> / <sub>8</sub>	-	4 <sup>3</sup> / <sub>4</sub>	-	4 <sup>5</sup> / <sub>8</sub>
1929	8 <sup>3</sup> / <sub>8</sub>	9 <sup>3</sup> / <sub>8</sub>	9 <sup>1</sup> / <sub>8</sub>	6 <sup>3</sup> / <sub>8</sub>	6 <sup>3</sup> / <sub>4</sub>	5 <sup>3</sup> / <sub>8</sub>	-	4 <sup>1</sup> / <sub>4</sub>	-	4 <sup>3</sup> / <sub>4</sub>
1930	8 <sup>1</sup> / <sub>2</sub>	9 <sup>1</sup> / <sub>2</sub>	10 <sup>5</sup> / <sub>8</sub>	6 <sup>1</sup> / <sub>2</sub>	6	-	-	5 <sup>1</sup> / <sub>8</sub>	-	-
1931	7 <sup>5</sup> / <sub>8</sub>	8 <sup>7</sup> / <sub>8</sub>	9 <sup>1</sup> / <sub>2</sub>	5 <sup>1</sup> / <sub>2</sub>	5	-	-	3 <sup>5</sup> / <sub>8</sub>	-	-
1932	7 <sup>1</sup> / <sub>2</sub>	8 <sup>3</sup> / <sub>8</sub>	9 <sup>1</sup> / <sub>8</sub>	5 <sup>1</sup> / <sub>4</sub>	4 <sup>7</sup> / <sub>8</sub>	-	-	3 <sup>3</sup> / <sub>8</sub>	-	-
1933	6 <sup>5</sup> / <sub>8</sub>	7 <sup>1</sup> / <sub>2</sub>	8 <sup>1</sup> / <sub>4</sub>	4 <sup>6</sup> / <sub>8</sub>	4 <sup>1</sup> / <sub>2</sub>	-	-	3 <sup>1</sup> / <sub>4</sub>	-	-
1934	6 <sup>1</sup> / <sub>2</sub>	7 <sup>5</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>8</sub>	4 <sup>1</sup> / <sub>2</sub>	4 <sup>1</sup> / <sub>2</sub>	-	-	3 <sup>1</sup> / <sub>8</sub>	-	-
1935	5 <sup>3</sup> / <sub>4</sub>	7	7 <sup>3</sup> / <sub>4</sub>	4 <sup>1</sup> / <sub>2</sub>	4 <sup>3</sup> / <sub>8</sub>	-	3 <sup>3</sup> / <sub>4</sub>	3 <sup>7</sup> / <sub>8</sub>	3 <sup>7</sup> / <sub>8</sub>	-
1936	6 <sup>1</sup> / <sub>4</sub>	7 <sup>1</sup> / <sub>8</sub>	7 <sup>5</sup> / <sub>8</sub>	4 <sup>3</sup> / <sub>8</sub>	4 <sup>1</sup> / <sub>2</sub>	-	4 <sup>1</sup> / <sub>8</sub>	3 <sup>7</sup> / <sub>8</sub>	4 <sup>1</sup> / <sub>4</sub>	-
1937	7 <sup>1</sup> / <sub>8</sub>	7 <sup>1</sup> / <sub>8</sub>	8 <sup>3</sup> / <sub>8</sub>	5	5 <sup>3</sup> / <sub>8</sub>	-	4 <sup>5</sup> / <sub>8</sub>	4 <sup>1</sup> / <sub>8</sub>	4 <sup>3</sup> / <sub>4</sub>	-
1938	7 <sup>1</sup> / <sub>4</sub>	8 <sup>1</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>2</sub>	5 <sup>1</sup> / <sub>4</sub>	5 <sup>1</sup> / <sub>2</sub>	-	4 <sup>5</sup> / <sub>8</sub>	4 <sup>3</sup> / <sub>8</sub>	4 <sup>3</sup> / <sub>4</sub>	-
1939	7 <sup>3</sup> / <sub>8</sub>	7 <sup>3</sup> / <sub>4</sub>	8 <sup>1</sup> / <sub>4</sub>	5 <sup>3</sup> / <sub>8</sub>	5 <sup>1</sup> / <sub>2</sub>	-	4 <sup>3</sup> / <sub>4</sub>	4 <sup>1</sup> / <sub>8</sub>	4 <sup>5</sup> / <sub>8</sub>	-

1. Agricultural Statistics.



Table L.XI

Annual Average Mutton and Lamb Prices in Great Britain, 1911-13 to 1939.<sup>1</sup>

YEAR	L A M B (PENCE PER lb.).				MUTTON (PENCE PER lb.).				
	BRITISH FRESH LAMB.	IMPORTED.			BRITISH.		IMPORTED.		
		NEW ZEALAND FROZEN.	AUSTR -ALIAN FROZEN.	ARGEN -TINE FROZEN.	ENGLISH FRESH.	SCOTCH FRESH.	NEW ZEALAND FROZEN.	AUSTR -ALIAN FROZEN.	ARGEN -TINE FROZEN.
1911-13	9	5 <sup>7</sup> / <sub>8</sub>	5 <sup>1</sup> / <sub>4</sub>	5	7	7 <sup>5</sup> / <sub>8</sub>	4 <sup>1</sup> / <sub>8</sub>	4	3 <sup>7</sup> / <sub>8</sub>
1914	9 <sup>1</sup> / <sub>4</sub>	6 <sup>5</sup> / <sub>8</sub>	6 <sup>1</sup> / <sub>8</sub>	6	8	8 <sup>5</sup> / <sub>8</sub>	5	4 <sup>5</sup> / <sub>8</sub>	4 <sup>7</sup> / <sub>8</sub>
1915	10 <sup>3</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>8</sub>	7 <sup>3</sup> / <sub>8</sub>	7 <sup>3</sup> / <sub>8</sub>	9 <sup>1</sup> / <sub>8</sub>	9 <sup>5</sup> / <sub>8</sub>	6 <sup>3</sup> / <sub>8</sub>	6	6 <sup>3</sup> / <sub>8</sub>
1916	12 <sup>5</sup> / <sub>8</sub>	9 <sup>3</sup> / <sub>4</sub>	9 <sup>3</sup> / <sub>8</sub>	10	11 <sup>3</sup> / <sub>8</sub>	11 <sup>5</sup> / <sub>8</sub>	8 <sup>5</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>2</sub>	9
1917	14 <sup>3</sup> / <sub>4</sub>	10 <sup>5</sup> / <sub>8</sub>	10 <sup>5</sup> / <sub>8</sub>	11 <sup>5</sup> / <sub>8</sub>	13 <sup>7</sup> / <sub>8</sub>	14	9 <sup>3</sup> / <sub>8</sub>	9 <sup>3</sup> / <sub>8</sub>	10 <sup>7</sup> / <sub>8</sub>
1918	13 <sup>5</sup> / <sub>8</sub>	13 <sup>1</sup> / <sub>4</sub>	-	13 <sup>1</sup> / <sub>4</sub>	13 <sup>5</sup> / <sub>8</sub>	13 <sup>5</sup> / <sub>8</sub>	13 <sup>3</sup> / <sub>4</sub>	-	13 <sup>1</sup> / <sub>4</sub>
1919	14 <sup>1</sup> / <sub>8</sub>	12 <sup>1</sup> / <sub>8</sub>	11 <sup>1</sup> / <sub>2</sub>	12 <sup>1</sup> / <sub>4</sub>	14 <sup>1</sup> / <sub>4</sub>	14 <sup>1</sup> / <sub>4</sub>	11 <sup>3</sup> / <sub>8</sub>	11	12 <sup>1</sup> / <sub>8</sub>
1920	20	12 <sup>1</sup> / <sub>2</sub>	12 <sup>1</sup> / <sub>2</sub>	12 <sup>1</sup> / <sub>2</sub>	18 <sup>1</sup> / <sub>2</sub>	18 <sup>7</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>4</sub>	8 <sup>1</sup> / <sub>8</sub>	9 <sup>3</sup> / <sub>8</sub>
1921	18 <sup>1</sup> / <sub>8</sub>	12 <sup>1</sup> / <sub>8</sub>	11 <sup>5</sup> / <sub>8</sub>	11 <sup>3</sup> / <sub>8</sub>	16 <sup>3</sup> / <sub>4</sub>	17 <sup>1</sup> / <sub>2</sub>	8	7 <sup>7</sup> / <sub>8</sub>	7 <sup>3</sup> / <sub>4</sub>
1922	16 <sup>3</sup> / <sub>4</sub>	11 <sup>1</sup> / <sub>2</sub>	10 <sup>3</sup> / <sub>8</sub>	10	15 <sup>1</sup> / <sub>8</sub>	15 <sup>7</sup> / <sub>8</sub>	7 <sup>1</sup> / <sub>4</sub>	6 <sup>3</sup> / <sub>4</sub>	6 <sup>7</sup> / <sub>8</sub>
1923	16 <sup>1</sup> / <sub>4</sub>	11 <sup>7</sup> / <sub>8</sub>	10	9 <sup>5</sup> / <sub>8</sub>	14	14 <sup>1</sup> / <sub>2</sub>	8 <sup>1</sup> / <sub>8</sub>	6 <sup>3</sup> / <sub>8</sub>	6 <sup>7</sup> / <sub>8</sub>
1924	15 <sup>7</sup> / <sub>8</sub>	12	11 <sup>1</sup> / <sub>8</sub>	10 <sup>1</sup> / <sub>2</sub>	13 <sup>1</sup> / <sub>4</sub>	13 <sup>7</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>4</sub>	7 <sup>1</sup> / <sub>8</sub>	7 <sup>3</sup> / <sub>8</sub>
1925	15 <sup>1</sup> / <sub>4</sub>	12 <sup>3</sup> / <sub>8</sub>	11 <sup>3</sup> / <sub>8</sub>	11	13	13 <sup>5</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>2</sub>	7 <sup>5</sup> / <sub>8</sub>	7 <sup>1</sup> / <sub>2</sub>
1926	13 <sup>1</sup> / <sub>2</sub>	10 <sup>3</sup> / <sub>8</sub>	8 <sup>7</sup> / <sub>8</sub>	8 <sup>5</sup> / <sub>8</sub>	10 <sup>3</sup> / <sub>4</sub>	11 <sup>7</sup> / <sub>8</sub>	7	5 <sup>3</sup> / <sub>8</sub>	5 <sup>7</sup> / <sub>8</sub>
1927	12 <sup>3</sup> / <sub>4</sub>	9 <sup>3</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>8</sub>	7 <sup>5</sup> / <sub>8</sub>	9 <sup>3</sup> / <sub>4</sub>	10 <sup>5</sup> / <sub>8</sub>	5 <sup>1</sup> / <sub>8</sub>	5	5 <sup>1</sup> / <sub>4</sub>
1928	13 <sup>1</sup> / <sub>4</sub>	10	8 <sup>5</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>4</sub>	11 <sup>1</sup> / <sub>8</sub>	12 <sup>1</sup> / <sub>4</sub>	6 <sup>1</sup> / <sub>8</sub>	5 <sup>7</sup> / <sub>8</sub>	6
1929	13 <sup>3</sup> / <sub>8</sub>	9 <sup>3</sup> / <sub>8</sub>	8 <sup>3</sup> / <sub>4</sub>	7 <sup>7</sup> / <sub>8</sub>	11	11 <sup>1</sup> / <sub>2</sub>	6 <sup>3</sup> / <sub>8</sub>	5 <sup>3</sup> / <sub>8</sub>	5 <sup>3</sup> / <sub>4</sub>
1930	13 <sup>1</sup> / <sub>2</sub>	8 <sup>7</sup> / <sub>8</sub>	7 <sup>5</sup> / <sub>8</sub>	7 <sup>1</sup> / <sub>8</sub>	11 <sup>1</sup> / <sub>2</sub>	11 <sup>7</sup> / <sub>8</sub>	5 <sup>7</sup> / <sub>8</sub>	4 <sup>7</sup> / <sub>8</sub>	5 <sup>1</sup> / <sub>4</sub>
1931	12 <sup>1</sup> / <sub>8</sub>	7 <sup>5</sup> / <sub>8</sub>	6 <sup>1</sup> / <sub>4</sub>	6 <sup>1</sup> / <sub>4</sub>	9 <sup>3</sup> / <sub>4</sub>	10 <sup>1</sup> / <sub>8</sub>	4 <sup>5</sup> / <sub>8</sub>	3 <sup>7</sup> / <sub>8</sub>	4 <sup>1</sup> / <sub>8</sub>
1932	9 <sup>3</sup> / <sub>4</sub>	6 <sup>1</sup> / <sub>4</sub>	5 <sup>3</sup> / <sub>8</sub>	5 <sup>1</sup> / <sub>8</sub>	7 <sup>1</sup> / <sub>4</sub>	7 <sup>1</sup> / <sub>2</sub>	4	3 <sup>3</sup> / <sub>8</sub>	3 <sup>3</sup> / <sub>4</sub>
1933	9 <sup>3</sup> / <sub>4</sub>	6 <sup>1</sup> / <sub>2</sub>	5 <sup>3</sup> / <sub>4</sub>	5 <sup>7</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>8</sub>	8 <sup>3</sup> / <sub>4</sub>	4 <sup>1</sup> / <sub>2</sub>	3 <sup>3</sup> / <sub>4</sub>	4 <sup>1</sup> / <sub>8</sub>
1934	11	7 <sup>3</sup> / <sub>8</sub>	6 <sup>1</sup> / <sub>2</sub>	6 <sup>1</sup> / <sub>2</sub>	9	9 <sup>1</sup> / <sub>2</sub>	5 <sup>3</sup> / <sub>8</sub>	4 <sup>1</sup> / <sub>8</sub>	4 <sup>3</sup> / <sub>4</sub>
1935	11	7 <sup>1</sup> / <sub>8</sub>	6 <sup>3</sup> / <sub>8</sub>	6 <sup>1</sup> / <sub>8</sub>	9 <sup>1</sup> / <sub>8</sub>	9 <sup>3</sup> / <sub>8</sub>	4 <sup>3</sup> / <sub>4</sub>	3 <sup>3</sup> / <sub>4</sub>	4 <sup>1</sup> / <sub>8</sub>
1936	11	7 <sup>1</sup> / <sub>2</sub>	6 <sup>3</sup> / <sub>4</sub>	6 <sup>3</sup> / <sub>4</sub>	8 <sup>3</sup> / <sub>4</sub>	9 <sup>1</sup> / <sub>8</sub>	5	4 <sup>3</sup> / <sub>8</sub>	4 <sup>1</sup> / <sub>2</sub>
1937	11 <sup>1</sup> / <sub>2</sub>	7 <sup>1</sup> / <sub>2</sub>	6 <sup>7</sup> / <sub>8</sub>	6 <sup>3</sup> / <sub>4</sub>	9 <sup>3</sup> / <sub>4</sub>	10 <sup>1</sup> / <sub>8</sub>	5 <sup>1</sup> / <sub>4</sub>	4 <sup>3</sup> / <sub>8</sub>	4 <sup>1</sup> / <sub>2</sub>
1938	9 <sup>3</sup> / <sub>4</sub>	7 <sup>5</sup> / <sub>8</sub>	7	6 <sup>3</sup> / <sub>4</sub>	7 <sup>3</sup> / <sub>4</sub>	7 <sup>5</sup> / <sub>8</sub>	5	4 <sup>1</sup> / <sub>4</sub>	4 <sup>1</sup> / <sub>2</sub>
1939	10 <sup>5</sup> / <sub>8</sub>	7 <sup>1</sup> / <sub>4</sub>	6 <sup>1</sup> / <sub>2</sub>	6 <sup>3</sup> / <sub>8</sub>	8 <sup>5</sup> / <sub>8</sub>	8 <sup>1</sup> / <sub>2</sub>	4 <sup>1</sup> / <sub>2</sub>	3 <sup>7</sup> / <sub>8</sub>	4 <sup>1</sup> / <sub>2</sub>

1. Agricultural Statistics.

PART III

THE AGRICULTURAL COMMUNITY IN  
THE INTER-WAR YEARS

LANDLORDS, LANDOWNERSHIP, AND LAND

The overall approach of government agricultural policy has now been examined, together with the policies related to the individual commodities. However, the government was also concerned with supporting the agricultural community, especially farmers and labourers. Consequently it is intended now to examine the fortunes of landlords, farmers, and labourers.

There was little departure in the inter-war years from the long-term trends experienced by the agricultural community. Landlords continued to exhibit the political and economic decline that had begun in the depression of the late nineteenth-century. Farmers' fortunes continued to fluctuate in relation to market conditions. Farm incomes rose rapidly in the Great War and fell to a low level in the 1920s before showing improvement after a further fall in the depression. The farm labourer remained a disadvantaged member of the national work force although his situation was improved by government intervention in wages and housing. However, agricultural labourers' conditions were still below the national average at the end of the period, and 29% of farm workers left the land between 1921 and 1939. British agriculture was unable to offer opportunities for the employment of labour and capital that were comparable with those in other sectors of the economy.

\* \* \*

The landowning classes were in decline in the period under review, a process which had commenced in the depression of the late nineteenth-century and which was renewed in the Great War. The principal cause was the reduced ability of their tenants to pay rents that gave returns on capital comparable with other opportunities for investment.<sup>1</sup> As many landlords sold their land after 1908, especially during 1918-25, great estates were reduced in size and landlord numbers fell. The great landowner was in decline as a political figure owing to the rise of professional politicians and business men, and the extension of democratic representation. Landowners also lost their place

1. Astor and Rowntree, British Agriculture, p.395; Tables F.V and F.IX.

as leaders of the agricultural community to those actively engaged in the business of farming as it became a more complex enterprise and as government policy increased in scope. Land was no longer regarded as an important social asset, and its owners did not command their previous influence in governmental, agricultural, or even local affairs.

There is little information for the inter-war years about the pattern of landownership and landed investment in farming on a national scale. Bateman's survey of 1873 revealed 41.2% of the land of England and Wales to be owned by 1 688 peers and great landowners, 38.4% by 36 526 squires and yeomen, 11.8% by 920 338 small proprietors and cottagers and 4.2% by 14 459 official and commercial bodies, while the remainder was waste land.<sup>1</sup> This pattern probably altered little before the Great War, for land was not saleable in the depression of 1873-96, and only a small number of holdings had been provided by land settlement schemes by 1914. Bateman's investigation might be compared with a departmental survey in 1938, which classified four categories of estates.<sup>2</sup> Large estates of over 15 000 acres were run as businesses or private companies by exceptionally competent resident agents and sub-agents, and usually had ample funds. Medium-sized estates of 5 000 - 15 000 acres were run by resident owners or qualified agents in personal contact with tenants; a system that was regarded as satisfactory when sufficient funds were available unless owners pressed for too high a level of rents. Small estates of 1 000 - 5 000 acres were usually managed by the owner or local part-time qualified agents, sometimes resident and sometimes employed by a London firm, or by solicitors, auctioneers, and various other semi-qualified agents. Very small estates and farms of under 1 000 acres were owned by retired farmers, professional

1. Bateman, J., The Great Landowners of Britain and Ireland, (1833), (Fourth Edition), p.515.

2. MAF 38/59, The Economic Position of Agriculture, England and Wales: Financial Data as at the End of 1938, pp.41-2.

and business men, country tradesmen, and owner occupiers, and managed by the owner aided by local builders, solicitors, tradesmen, valuers, bailiffs, accountants, and other similarly qualified men.<sup>1</sup>

The Landlord-Tenant System and the Increase in Owner-Occupancy, 1908-1939

The distinguishing feature of the British landlord-tenant system was the active participation of the landlord in the business of farming. He provided not only the farm land and buildings, but the fixed capital, cottages, roads, fences, water, drainage, and long-term investment. The tenant's smaller resources provided working capital to meet production expenses for seed, stock, feed, fertilizers, implements, and draught horses, and in the nineteenth century tenants had no rights to their own fixed improvements. This system allowed enterprising men to manage larger, more economic farms, than they might obtain with their own capital alone, for landlords invested twice the capital provided by tenants.<sup>2</sup> Many landowners had been agricultural pioneers and had financed and encouraged farming advances, until this role was taken over by agricultural colleges. Land had provided an economic and social investment until the late nineteenth-century, but then declined as an asset as a result of agricultural depression.

As long as demand for agricultural produce was increasing and industry was financially sound, the landlord-tenant system worked well. However, landlord capital was reduced in the agricultural depressions of the 1870s to 1890s, and landowners were less able to discharge their constructive functions. Although landlords had more capital at stake, the business of farming devolved upon tenants. When agricultural receipts fell, farmers remained in business so long as the margin between income and expenditure did not exceed rents, and rent reductions or higher investment were often used by landlords to maintain tenants. Landlords were allowed a residual

1. Ibid.

2. Orwin, C.S., 'Land Tenure in England', Proceedings of the First International Conference of Agricultural Economists, 1929, (Menasha, Wisconsin, 1929), p.3.

profit so long as the farmers produced any margin at all. The flexibility in the system prevented bankruptcies and changes of tenancies, but left landlord capital significantly reduced after a depression.

Confidence in agricultural land as a source of investment never really recovered after the late nineteenth-century. Land was unsaleable then, new tenants were not easily found, and although landlords had little opportunity to withdraw their capital from agriculture an increasing reliance was placed on non-agricultural investments to support estates and incomes. Money for maintenance and improvements was less forthcoming and many estates deteriorated, contributing to a breakdown in the theory of land tenure. Landlords could not function properly as business partners and found it more profitable to invest their capital outside agriculture. Farmers needed legislative safeguards before they were willing to invest their own funds in fixed assets, and only adjusted to this change once they began to gain security of tenure and allowances for improvements under the Agricultural Holdings Acts from 1883.

The increase in tenants' rights and the low returns from rents added to the resolve of many landowners to rationalize their estates or to change their investments completely. Some landowners were able to sell their land to farmers once agricultural prices recovered in the late 1890s, and although rents remained low land prices rose. The tenants' rights movements and the 1908 Agricultural Holdings Act appeared to be taking away the landlord's control of his property, and in 1909 the Liberal Land Campaign moved from vilification to threats of land nationalization and the imposition of heavy taxes and estate duties. The Finance Act 1909-10 was a factor which accelerated the break-up of estates, for although new taxes were only threatened, landlords were required to give particulars of their estates which was irksome at a time when it was regarded in some political circles as a 'crime' to hold land.<sup>1</sup>

1. Sturmev, S.G., 'Owner Farming in England and Wales, 1900-50,' Manchester School, 1955, p.252.

There was an increase in owner-occupancy after 1909 as some estates were broken up for sale.<sup>1</sup> Farmers could not be sure of remaining on their holdings if they did not purchase them, but to do this often required first and even second mortgages. Thus there was a slight check to purchases in 1912-14 as some provincial mortgage rates rose.<sup>2</sup> Purchases were made because at the current trends of agricultural prices such moves appeared good investments, because freedom of cropping and rights to compensation were not in fact markedly improved after the 1908 Act, and because until 1913 farmers were not compensated for disturbance when their tenancies were sold. Tenants found that new farms were difficult to obtain if they were forced to leave by a new landowner, and consequently many farmers changed their rent payments for mortgages if their landlord sold his estate.

All the economic factors encouraging landlords to sell and tenants to purchase were intensified in the First World War, but owner-occupation increased only slightly once the first period of uncertainty was over. For the landowner the War brought higher taxation (especially of larger incomes), and greatly increased death duties (although these might only compel sales when an owner's death was quickly followed by that of his heir).<sup>3</sup> Double deaths in reverse order might place an estate with distant relatives who had no strong ties to the land. The 1917 Corn Production Act did not allow rent increases as a consequence of its operation, and rents generally lagged behind prices by about seven years. Farm building and estate repairs became more expensive owing to labour and material shortages, and land values began to move upwards with the marked rise in farm receipts and incomes.<sup>4</sup>

1. In 1908 12.3% of agricultural land in England and Wales was owner-occupied, and this certainly rose before the Great War, although official statistics under the 1909-10 Finance Act showed a figure of 11% in 1911-13 because farmers were not so classified if they were paying a mortgage, and there was much concealment of ownership. Ibid. pp.249-53.

2. Ibid. p.252.

3. Table F.IX, The burden of land tax, rates, and income tax on one estate rose from 9% to 30% of rental during 1914-19, Thompson, F.M.L., English Landed Society in the Nineteenth Century, (1963), pp.327-8.

4. Tables F.V and F.IX.

Landlords thus had every incentive to sell. In addition to the general increase in income tax during the War the basis of the farmers' assessment was changed from being equal to rent in 1915/16 to twice that amount thereafter, in the absence of accounts showing lower incomes. Tenants on old estates knew that if their farms were sold a new owner might double their current low rents, and thereby double the tax assessment.<sup>1</sup> Farmers might avoid this situation by purchasing their holdings if these were offered for sale, for rental values as calculated for taxation tended to respond slowly to change, for they were only recalculated at intervals of three or more years.<sup>2</sup> Farmers who did not purchase their tenancies when these were offered for sale found great difficulty in obtaining new farms, and might still face increased rents and taxes. The high level of farm incomes and product prices also provided an additional incentive to purchase. However, land transfers fell to a trickle until 1918 as buyers and sellers waited to see how high agricultural prices would go, and as surplus money was diverted into war loans. However, there was a continuation of the trend towards the sale of outlying holdings to rationalize estates and liberate capital for more profitable use.<sup>3</sup>

From 1918 a large number of land transfers took place, and these became extremely large in early 1919 following the Armistice, an expected return to peace-time conditions, and a pause in the rise in agricultural and land prices. In March over  $\frac{1}{2}$ m. acres were on the market and this was before death duties were raised in the budget. As land and agricultural prices continued to rise over 1m. acres were sold in 1919, and even more land changed hands in 1920.<sup>4</sup> Since 1911-13 land values had more than doubled, and real net incomes had halved.<sup>5</sup> This left annual

1. Sturmev, Op.Cit, pp.253-4.

2. Ibid. p.254; Table FIX.

3. Thompson, English Landed Society, p.329.

4. Ibid. pp.330-1.

5. On Lord Leconsfield's 25 000 acre estate net returns in 1913 were 10s. an acre, but only 5s. in 1920, Sturmev, Op.Cit. p.256; Table FIX.



returns on land below one-third of that from consols.<sup>1</sup> Landowning on a large-scale was becoming unpopular because it was felt to be a monopoly, and hence it became acceptable to raise revenue from increased death duties, land taxes, and surtaxes. Thus the 1919 budget provided a strong inducement for heirs to sell land rather than other assets in order to pay estate duties.<sup>2</sup> Many landlords sold their under-rented holdings and took a share of the increased land values as untaxed profit. Some landlords raised rents, especially on changes of tenancy, but thereby incurred higher income and super-tax payments, and many preferred to sell-up and leave this highly unpopular action to the new owner.<sup>3</sup>

While a large number of tenants bought their holdings to avoid raised rents or eviction, many others bought willingly, and the number of owner-occupancies increased. Tenants invested surplus funds in their farms, sometimes, like many non-agricultural speculators, as a possible source of profit on re-sale. Farmers unable to find tenancies turned to the purchase market, especially since new tenants faced higher rents and taxes and a continued fall in real landlord investment.<sup>4</sup>

The land market boom collapsed alongside the general business recession as prices slumped in 1921.<sup>5</sup> Farmers became less confident about future profits and were less willing to purchase when they observed recent owner-occupiers losing their farms to mortgages or selling out at a loss. The

1. Table F.IX.

2. The 1919 budget raised death duties to 40% on estates worth over £2m., and the new basis of land valuation was based on its current price, not the rental value, and hence the value of land for death duties exceeded the capitalized value of its gross income. Sturmev Op.Cit. p.255; Astor and Rowntree, British Agriculture p.390; Thompson, English Landed Society, p.335.

3. Sturmev Op.Cit. p.255.

4. Table F.IX.

5. Ibid..

"Great Betrayal" in June had a strong psychological effect too, although it really only affected corn growers, and it also decontrolled, and hence reduced, farm wages. However, many farmers were growing corn on marginal land, or land out of rotation, and they required the guaranteed prices.<sup>1</sup> The turnover of land, though still large, was less than half that of 1920, and many landowners unsuccessfully stood out for the higher prices they could have realised in 1919-20.<sup>2</sup>

From 1918 to the end of 1921 6-8m. acres, or one quarter of England and Wales, changed hands.<sup>3</sup> A second period of slightly increased land sales and prices followed in 1924 and 1925, induced by stability in agricultural prices and perhaps prompted by the Agricultural Holdings Act, 1923, although this really only consolidated former legislation. While farmers were again seeking to rent or purchase holdings, landowners who were pessimistic about agriculture's future saw an opportunity to sell, and commercial and industrial purchasers of the previous decade appear to have sold out then to liberate money for their businesses at a time when interest rates were high.<sup>4</sup>

While some estates were bought whole, sitting tenants formed the majority of purchasers in 1918-25.<sup>5</sup> Some bought direct from the old owner who might leave most of the purchase money on a 5% mortgage and thus gain an increased gross income free of all previous investment charges. Some owners helped their tenants form syndicates to purchase an estate and then divide it, but most often, especially when the owners themselves were mortgaged, the estate

1. Sturmev, Op.Cit. p.256.

2. Thompson, English Landed Society, p.331.

3. This was the largest permanent transfer since the Dissolution and was unequalled since the Norman Conquest, Ibid. p.332; Estates Gazette, 31 Dec. 1921.

4. Sturmev, Op.Cit. p.257.

5. Thompson, English Landed Society, p.333.

was first sold to a syndicate of speculators before being brought by tenants, and farmers were very much aggrieved that they had to pay a middleman's profit.<sup>1</sup>

Most purchases by tenants occurred during 1918-21, rather than in 1921-7,<sup>2</sup> and owner-occupancy in England and Wales rose from 11% of agricultural land before the War to 36% in 1927.<sup>3</sup> From late 1921 to 1923 there were few new accessions to owner-occupancy except for landlords farming unlettable holdings. Farmers were going out of business and annual farm bankruptcies increased ten fold during 1920-3.<sup>4</sup> Many farmers became tenants of their mortgagees, for farmers with high fixed payments were particularly vulnerable to reductions in income.

After 1925 the large numbers of land sales ceased and the proportion of owner-occupied land declined slightly to 33% by 1941.<sup>5</sup> The social balance of the countryside was not greatly changed between 1921 and 1939. The largest moves to owner-occupancy and over half the number of sales were in the mixed counties, about one quarter were in the pasture counties, and one fifth were in the arable areas.<sup>6</sup> However, during 1918-25 the proportion of arable farm sales was 25% greater than the proportion of arable land, while mixed and pasture farm sales were proportionately 4% and 5%

1. Ibid..

2. Agricultural Statistics, 1920-7.

3. Sturmev, Op.Cit. pp.249-261.

4. Table F.V.

5. Sturmev, Op.Cit. pp.249 & 261. The move to owner-occupancy began in 1909-12, but declined in 1912-14. It accelerated late in the War to a peak in 1920, was suspended in 1921-2, and recovered in 1923 to a renewal of activity in 1924 and 1925. The average size of owner-occupancies rose from 59.7 to 62.7 acres in 1909-27, compared with a general rise in average farm sizes of only 63.4 to 63.7 acres.

6. Britton, D.K., 'The Sale Value of Farm Land Between the Wars', The Farm Economist, 1949, p.131; Table F.X.

less respectively.<sup>1</sup> Arable farms required more fixed investment per acre than other farm types where money was invested in moveable stock.

Consequently arable farmers were more interested in purchasing their holdings when landlords were unable to maintain investment, and arable landlords were more interested in selling an asset that brought lower returns than other agricultural and non-agricultural assets.

Farmers who purchased their holdings during 1918-25 on fixed mortgage payments and at high rates of interest suffered more than tenants from the low incomes of the 1920s and from the 1929-33 depression. Farmers purchasing land at 1918-25 prices from depressed incomes were paying more in interest than they had ever paid in rent, and were also having to finance their own investment. They no longer had the landlord's support as offered by rent reductions, and mortgage owners were found to be the harshest of absentee landlords. Although some farmers were able to re-finance on more favourable terms, this was seldom possible without the payment of a premium or general composition to creditors. Those who purchased in 1918-25 had too much of their capital tied up in land and too little working and reserve capital. They could not undertake repairs or buy new equipment and formed a large area of weakness in the industry.<sup>2</sup> In the years of adjustment to lower price levels and higher labour costs, and the conversion of wartime arable back to grass, owner-occupiers generally fared worse than other farmers unless they purchased before or after the period of extensive sales, when land prices and interest rates were more advantageous.<sup>3</sup> Because of this situation, the Agricultural Mortgage Corporation was established in 1928 to ease the burden of payments on long-term farm investment, but it was little used because

1. Ibid..

2. MAF 38/52, Economic Position of Agriculture, 1936, pp.29-30. Equally men who had obtained their capital from landlords at a maximum of 2½% were faced with commercial rates of 5-6% until 1932.

3. Table FIX.

within a year market rates fell below its fixed rates of interest.

Many farmers failed and mortgages were foreclosed in the early 1930s. Some owner-occupiers cut their losses and sold up while others became tenants of the new purchaser.<sup>1</sup> Following the depression there was by 1939 a slight increase in the purchase of small farms for occupation, despite a halt to this trend in 1937 and 1938.<sup>2</sup> The owner-occupied acreage fell slightly as mortgagees of larger holdings, who had refrained from foreclosure in the worst years of the depression, took advantage of higher prices and improved conditions after 1934 to repossess the holdings of farmers still in arrears. Farmers who had stayed on in the early 1930s to avoid selling when land, implement, and commodity prices were low, also used this opportunity and sold up. In the most depressed years some landowners and mortgagees were farming land in hand, and let it when conditions subsequently improved.<sup>3</sup>

Land prices were strongly related to the general level of agricultural prices, which influenced the demand for land.<sup>4</sup> However, it appears that in 1930/1 some purchasers believed that the world depression was a temporary phenomenon, and were investing in land which had fallen sharply in price in 1929. The high land prices in 1934 relate to the peak in farm incomes then, and to the peak in the acquisition of land in the 1934-5 building boom.<sup>5</sup>

The majority of land sales were in the arable east and south-east, with very few in the north and Wales. Farms of a comparable size were lower in price than the national average in both of these arable areas because they did not contain the good quality pasture which raised the value of farms in the midlands, Wales, and the north-west of England. The smallest farms .

1. It was said that in the 1930s the banks owned half of Norfolk, and that the new owner-occupiers had fared the worst of any sector of the agricultural community since 1920, Thompson, English Landed Society, p.334.

2. Sturmev, Op.Cit. p.264.

3. Ibid. pp.264-5.

4. Table F.IX; Appendix II.

5. Britton, Op.Cit. p.130.

were in most demand, and showed the highest rise and least decline in market value. Farms of 100-150 acres fluctuated more in price, while the largest (predominantly arable) farms felt the slump most severely in 1922 and 1931-4 and only partially recovered in value thereafter.<sup>1</sup>

#### Rents, Rental Income, Landlord Investment, and Agricultural Prosperity

Rents, which formed the landlord's gross income, lagged slightly behind agricultural prices, moving upwards slowly but reacting almost instantly to price falls.<sup>2</sup> Rents rose slowly because they were fixed for the period of the tenancy, while when prices fell farmers might obtain a rent reduction, time to pay, and even remissions. There is little information concerning the proportion of tenancies held on long or short term contracts, although increasingly the majority were undoubtedly annual tenancies terminable at six months' notice. Tenancies tended to be longest in Scotland and the north (even for 5, 15, or 19 years), and were much shorter in the south where even some corn rents existed in the 1930s.<sup>3</sup> Rents per acre were higher on smaller holdings, partly because of the greater density of buildings, and on the more profitable pastures and mixed farms than on arable land.<sup>4</sup>

The landlord's return was determined by rents, the amount of his investment, and land prices. The farmers' first line of defence in adversity was to ask for a rent reduction, and with good relations existing between landlords and tenants this was customarily obtained. If not, arbitration was available under the 1923 Agricultural Holdings Acts. When prices and

1. Ibid. p.133; Table F.X.

2. The conclusions in this section relate largely to the data in Table F.IX, especially the sample of rents from 375 000 acres given in Rhee, H.A., The Rent of Agricultural Land in England and Wales, 1870-1939, (Oxford, 1946), Appendix I. The amounts of net income and expenditure were calculated from Bellerby, J.R., 'Gross and Net Farm Rent in the UK, 1867-1938', Journal of Agricultural Economics, 1954, and his figures relate well to Dampier-Whetham, W.C.D., 'The Economics of Rural Landowning', Proceedings of the Agricultural Economics Society, 1930, p.8 and to data published by the Scottish Department of Agriculture, Scottish Farm Rents and Estate Expenditure, 1948, p.23. and are probably an accurate reflection of the trend.

3. Astor and Rowntree, British Agriculture, p.387.

4. Table F.X.

rents fell, landowners were forced to maintain their low-priced, low-return commodity with investments whose costs were related to non-agricultural prices. These costs tended to fall more slowly than agricultural prices, and hence compared with net rents investments became relatively much more expensive. Arrears and remissions were more easily obtained on public than private land because corporate estates had greater resources and were exempt from certain taxation, and hence were more able to reduce rents and carry out improvements.

Unless a certain level of investment was made landlords could not secure rents, and greater investment was often offered as an alternative to rent reductions. Because in the inter-war years real landlord investment declined compared with 1911-13, tenants undertook their own repairs when they could afford the extra labour, especially in slack seasons. When economic prospects were less favourable they asked for all their rights or threatened to leave, knowing that the farm would be difficult to re-let. Increased investment was an alternative to reduced rents, but as rents lagged behind maintenance costs landlords were able to do less and farmers took on more responsibility for repairs. A certain level of investment had to be maintained. Improvements and repairs could be varied subject to constraints imposed by the need to derive an income from gross rents, but statutory charges were inflexible.<sup>1</sup> Thus land and other taxes and estate duties did not enter directly into the economics of rents, except by their indirect influence upon the financial position of landowning families.

Rents lagged behind the rise in farm incomes and prices in the Great War. Real gross rents fell to 45% of their 1911-13 levels by 1920, and real expenditure was reduced to 37% as building costs rose faster than the general price level. This left real net rents at 43% of pre-War levels.<sup>2</sup>

1. In 1934-8 maintenance comprised 65.2% of estate expenditure, improvements 22.4%, and statutory charges 12.4%, Central Landowners' Association, Rent of Agricultural Land in England and Wales, 1870-1946, (1949), p.26.

2. Table F.IX.

Thereafter rents rose in 1921, reflecting the earlier high farm incomes, and then dropped in 1922 as a result of the 1921 price fall. The sharp falls in farm incomes in 1921; 1927, 1931, and 1932 were followed by sharp falls in rents in 1922, 1928, 1932 and 1933.<sup>1</sup> After 1933 there was a fair degree of stability in rents, reflecting the improved farm incomes then.

Real gross rents reached 70% of pre-War levels by 1923, and fluctuated close to this level depending upon the movement of prices.<sup>2</sup> When farm incomes were low in the 1920s landlords responded by raising their level of investment, and reduced rents only following particularly bad years.<sup>3</sup> Consequently real net rents reached only 65% of pre-War levels in 1923 and then declined, except in the depression when prices fell faster than net rents. In the late 1920s grass and mixed farms' incomes were rising<sup>4</sup> and landlords perhaps felt more optimistic about the future. Landlords consequently acquiesced in providing fixed investment to facilitate changes in agriculture towards more livestock and naturally protected products, and took lower net rents as a result. Rent reductions and increased expenditure occurred in the depression. As farm incomes rose after 1933 landlords attempted to take larger net rents at the expense of investment, and in 1938 they retained 51% of gross rents for the first time since 1911-13.<sup>5</sup>

The rate of return on landlord's capital was well below that from government stock throughout the 1920s, and once the depression was over

1. Tables F.V and F.IX.

2. Table F.IX.

3. Bellerby, J.R., 'Gross and Net Farm Rent in the U.K., 1867-1938', JAE, 1954, p.358; Table F.IX.

4. Graph F.IIIa.

5. Bellerby, Op.Cit; Table F.IX.



landowners were no longer willing to maintain the proportion of rental spent on investment that they had in the 1920s. As the government intervened in agriculture and took upon itself responsibility for farming there was less public inducement for landowners to continue to 'subsidize' the industry with rent remissions and investment. Agriculture was less tied to former rotations and became more fluid as farmers each year sought relatively more profitable areas of production. Landlords now felt that the accompanying investment requirements were the farmers' responsibility. Because of the construction boom of the 1930s building materials and labour were relatively more expensive, and this resulted in a sharper fall in real landlord expenditure.<sup>1</sup> Landlords abdicated from their traditional role as investors in land and accepted a lower level of real gross receipts, but raised their real net return to two-thirds of the pre-War level.<sup>2</sup> As the business of farming became more complex it was inevitable that it should devolve more upon the tenant, and that farmers would undertake an increasing share of investment. However, landowners were continuing to lend the capital value of their holdings to tenants at rates of interest probably far lower than the financial situation warranted.

#### Tenants' Rights, the Agricultural Holdings Acts, and Investment in Farming

As the real level of landlord investment declined relative to before the Great War, especially during the War and in the late 1930s, tenants increasingly had to undertake their own investment. Farmers were supported in this by the protection afforded them under the Agricultural Holdings Acts. Prior to these there had been great reluctance on the tenants' part to improve the land because fixed investment was not compensated for upon the ending of a tenancy, and only 'moveables' remained the tenant's property. There was thus little inducement for a tenant to improve buildings, layout, drainage, or fertility, especially with short tenancies,

1. Table F.IX.

2. However, they resumed this role at the end of the Second World War. Table F.IX.

and consequently as landlord capital was used up in the late nineteenth century agricultural depression tenant's rights to improvements became the central issue of agricultural politics. Even in Scotland, where leases had been for 21, 42, and even 63 years, there was a temptation to run down the land and liquidate as much of the landlord's and tenant's capital as possible in the last years of the tenancy. It was thus realized that the only effective means of encouraging agricultural investment was to give compensation for improvements and provide for greater freedom of cropping.

The first Agricultural Holdings Act was passed in 1883, and introduced the radical change of principle that improvements belonged to the tenant. It was followed by further legislation in 1900, 1906, 1908, 1913, 1914, the Agricultural Land (Assessment of Compensation) Act, 1919, and Agricultural Land Sales (Restriction of Notices to Quit) Act, 1920, and culminated with the consolidating 1923 Agricultural Holdings Act. These provided compensation for the increased (or diminished) value of holdings as a result of tenant's improvements, for disturbance, for miscellaneous rights of landlords and tenants as related to mortgages, arbitration, or the extension of tenancies under lease, and included provisions for crown, ecclesiastical, and market garden lands. As a result of these Acts tenants were no longer dependent upon the landowner for the permanent equipment of their holdings, but might carry out lasting improvements which were formerly the landlord's responsibility, and were secured by statute against any capital loss upon leaving the farm. Even the ordinary maintenance of permanent equipment and repairs, customarily recognized as a charge upon the landlord's rent, could be effected by the tenant if the landlord defaulted. Almost complete freedom of cropping was granted by the removal of restrictive covenants in leases (which had previously enforced better techniques but which had often become outdated), although suitable standards of farming had to be maintained.

Tenants were granted a high degree of security of tenure almost close to ownership. Compensation (for up to the value of two year's rental) had to be provided when a notice to quit was given to a tenant, and notice

had to be made a year in advance. Unsatisfactory farmers might be discharged without heavy cost only with a certificate of negligent cultivation, which was obtainable from the county agricultural committee. The chances of a landlord obtaining such a certificate appear to have been about 30%, and the number of successful applications fell steadily from 60 per annum in 1921-4 to 13 in 1934-6, although it is not certain whether this resulted from the tenants' virtue, or landlords' despairing of success.<sup>1</sup> However, the improved farming conditions in the 1930s, were probably a significant factor. Landlords might also claim compensation from tenants for the dilapidation of buildings and injury to the land, which implied that it was no longer the landlord's duty to undertake repairs.

The 1923 Acts also operated in favour of tenants by providing for arbitration in disputes, especially where landlords refused a request for a rent reduction. Tenants might apply for arbitration about the level of rent to be paid from the date at which they would vacate the farm after giving notice to quit. If the landlord refused arbitration tenants might claim compensation for disturbance as though the landlord had served a notice to quit. Although only a <sup>few</sup> small number of cases were heard, landlords were aware that reductions of about 15% were generally obtained, and because tenants thus had a good bargaining position the influence of the legislation was certainly greater than the number of arbitrations might suggest.<sup>2</sup>

As tenants gained greater security of tenure, compensation for improvements, and freedom of cropping, they gradually undertook more of the investment and repair of the holdings.<sup>3</sup> However the extent of this change

1. Astor and Rowntree, British Agriculture, p.393.

2. Ibid. p.394.

3. Tables F.V and F.VI.

was limited by low farm incomes and high interest rates in the 1920s, and by the high costs of building and labour in the 1930s. In addition, agricultural depression had left farmers with limited reserves of capital and mortgaged owner-occupiers were even less able than tenants to undertake such investment. A large part of the investment made by farmers was of working capital, and involved changes in cropping patterns and the purchase of new stock and machinery (especially in connection with dairying). Consequently, in practice farmers were less able to maintain the fixed capital on farms. A certain amount of disinvestment occurred as landlords were unable to maintain their pre-War levels of expenditure and tenants could not take it over. Many estates were gradually run down and although some new investment was forthcoming in the 1920s many farm buildings became neglected and unrepaired, drains were not relaid, roads were unmended, and hedges were out of order, etc..<sup>1</sup>

Public money was available for some tasks that landlords would formerly have undertaken (drainage works, cottage repair and construction, credit provision, and livestock improvement), but it did little to maintain long-term investment in land and equipment. Because real landlord investment was reduced, the pre-War Land Campaign was revived with calls for land nationalization from some agriculturalists, and a comprehensive programme was expressed in Lloyd George's Green Book.<sup>2</sup> In the 1920s even a group of Conservative MP's advocated the payment of death duties in land; the Liberals saw land nationalization as a constructive policy; and the Labour Party had long maintained it as part of its programme. The Labour Party often opposed state agricultural aid without rent controls on the grounds that every subsidy to farmers was indirectly a subsidy to the landed interest (through Ricardo's theory of rent).

1. Report of the Committee on land Utilization in Rural Areas, Cmd. 6378, 1942, p.15.

2. Liberal Land Committee, The Land and the Nation, (1925), See Also Hall, A.D., Reconstruction and the Land, (1941).

Landownership and Taxation

To a very limited extent landlords were paying a small part of the increased costs of state involvement in agriculture through increased taxation. The burden of national and local taxation upon the land increased significantly from the late nineteenth century, making it more difficult, especially for large landowners subject to higher rates, to return money to estates.<sup>1</sup> Income tax rose during the Great War and then remained two to three times heavier in real terms than in 1911-13. Sur-taxes were increased correspondingly after their introduction in 1909-10, although there was a reduction on the lower end of the scale in 1925.<sup>2</sup> The land tax declined slightly across this period, while death duties on estates worth over £100 rose from 1-15% on the graduated scale in 1909-10 to 1-20% in 1914 and 1-40% in 1919. Further increases in 1925 and 1930 did not apply to purely agricultural land, and a further 10% rise to 1-55% in 1939 provided for a 45% agricultural rebate. Certain estate repairs, however, could be written off against tax.<sup>3</sup>

The increase in death duties was a controversial part of taxation on land. However, these were only incurred once every generation and could be avoided by the formation of agricultural estate companies. Estate duties did not force the large number of land sales during 1918-25. Of 40 noblemen who sold land in 1919 in only six cases had death duties become payable since 1914, and while much of the proceeds were obtained by creditors and the sellers' holdings were reduced, these landlords entered the inter-war years in a much healthier financial state than for many years.<sup>4</sup> How much of this capital was re-invested in land and how much was invested in alternative and more profitable areas is uncertain. Dividends were reduced after 1929 and like all returns were subject to higher rates of income and super taxes. Mineral incomes suffered too with the decline of the coal industry, providing further incentives to landlords to take a higher

1. By the inter-war years only Scottish landlords paid the rates.

2. Finance Acts 1909-10, to 1939.

3. Finance Acts 1909-10, 1914, 1919, 1925, 1930, and 1939; Table F.IX.

4. Thompson, English Landed Society, p.337.

net rent and provide less agricultural investment. Some landlords were able to discharge their traditional functions satisfactorily, but death duties might also have gradually reduced the number of landlords who could maintain the capital of their estates. Heirs who were reluctant to sell part of an estate had either to borrow money or spend more liquid resources which might otherwise have brought capital to their farms. Only where estates were of substantial value, and agricultural land was a large proportion of the total, did death duties leave no alternative but the sale of farms. Corporate bodies, such as charities, hospitals, and local authorities were immune from death duties and other forms of taxation, and hence were able to enjoy a good reputation with their tenants.

Perhaps the most contentious of all the land charges were tithes.<sup>1</sup>

Since the 1836 Tithe Act these had become a cash payment related to the price of corn. This provided tithe-owners with a revenue appropriate to the cost of living and gave tithe-payers a burden related to agricultural conditions. However, in the late nineteenth century depression tithe owners found their incomes substantially reduced as grain prices fell, while farmers complained of the burden of the charge. Consequently the Tithe Act, 1891 decreed that the tithe rent-charge should not exceed two-thirds of the annual value of the land, and the responsibility for payment was transferred from the occupier to the owner of the land. However, as prices rose in the First World War there were complaints that the rent-charges took a disproportionate part of landed incomes. The result was the 1918 Tithe Act, which held the rent-charge at 1918 levels for six years in place of the previous average of the preceding seven years' grain prices, and thereafter introduced a fifteen year average. Greater encouragement was also given to redeem rent-charge

1. For a full discussion of tithes see Evans, E.J., The Contentious Tithe, 1750-1850, (1976), especially chapter 8 for the period 1850-1936.

payments altogether, for formerly this could only be effected with the tithe-owner's consent at the cost of twenty five year's purchase on the 1835 parity.<sup>1</sup> As prices fell in the late nineteenth-century this became an unattractive proposition and very few tithes were extinguished. After 1918 redemption still required the owner's consent, but was possible through a terminable annuity payable over a maximum of fifty years. The redemption payments, if invested in government stock, would allow the tithe owner an annual income equal to the net amount previously secured by the rent-charge after appropriate deductions had been made for the cost of collection and taxes. Consequently between 1918 and 1925 five times the number of earlier redemptions were attained.<sup>2</sup>

The sharp price fall in 1921/2 made the fixed tithe payment prescribed by the 1918 Act into a relatively much higher burden. This fell heaviest on the recent owner-occupiers, already encumbered with high mortgage payments, and paying tithe for the first time. The rent-charge was regarded as a heavy encumbrance, especially throughout southern England, and the formation of tithe payers' associations persuaded the government that any attempt to impose the fifteen year averages as inflated by wartime prices would meet sharp resistance.<sup>3</sup> Baldwin's response was a further step towards tithe redemption. The 1925 Tithe Act fixed the rent-charge at £105 for every £100 of the original 1835 lay tithe, and at £109.5 for ecclesiastical tithe. The latter payment included 4½% of the 1835 parity, payable to a sinking fund which would extinguish church tithes in 77 years.<sup>4</sup> This would have satisfied farmers but for the continuous price fall such that the settlement rose in real value, especially in the depression. Tithe-payers'

1. Ibid. p.164.

2. Ibid. pp.163-5; Floud, F., The Ministry of Agriculture and Fisheries, (1927), p.227.

3. Evans, Contentious Tithe, p.165; Floud, Ministry of Agriculture, p.227.

4. Evans, Contentious Tithe, p.165.

associations were revived and a 'tithe war' broke out in the 1930s in the most heavily burdened south and east, especially among small proprietors, and resulted in the formation of a Royal Commission.<sup>1</sup>

The 1936 Tithe Act, passed when the depression was over, reflected general feelings about the anachronistic nature of tithes and the levels of farm incomes. Tithe payments were immediately extinguished and their owners received 3% gilt-edged government stock, redeemable at par after sixty years, while landowners paid an annuity of 91.65% of the original charge in lieu of tithe. Although the Commission had suggested a forty year redemption period the government had argued that this was too great a burden for agriculture.<sup>2</sup> Speedier redemption was obtainable through a single payment (which was compulsory if the annuity was £1 or less), and by 1943 160 000 landowners had voluntarily secured full redemption.<sup>3</sup> Tithes could not be defended rationally in an industrial society when only agriculture paid the charge. The prolonged depression and effective action by smallholders were able finally to eradicate the tithe, although the redemption payments were almost as high as the rent-charge.

#### The Decline of the Landlord

As land lost the economic security that it had enjoyed before the late nineteenth-century it was also reduced in importance as a political and social asset. The declining social, economic, and agricultural influence of landowners was reflected in their changing political fortunes during the agricultural depression and the Great War. Despite parliamentary reform and political agitation the political leadership had retained its ancient aristocratic and landed character until the 1890s, although changes occurred in the Commons as democratic organizations, middle class politicians, and men of business, became more important after 1868. The lag of thirty to forty

1. Report of the Royal Commission on Tithe Rent charge, Cmd.5095. 1936; Government Statement, Feb. 1936, Cmd. 5102, 1936.

2. Evans, Contentious Tithes, p.167.

3. Ibid. p.166.



years occurred as new members served their apprenticeship before joining the Cabinet and because the leadership tended to select men of its own class, education, and generation.<sup>1</sup>

Professional and business men were formerly hampered in politics by their financial need to devote time to business, yet landlords did not face such restrictions until rental incomes fell. However, in a more democratic age vastly expanding government action required sympathetic and lucid exponents of party and government policy and specialist imaginative administrators. Professional men with more complex business experience were more suited to these needs than the aristocracy or landed interest, and the War brought many more professional and business men into high level government administration, especially through the Liberal Party. Even the aristocratic element of the Conservative party became relegated to a junior partner, although a strong one, especially in the Commons with the formation of the 1922 Committee. Landowners formed 42% of Campbell-Bannerman's 1906 Cabinet, 21% of Asquith's 1914 Cabinet, 14% of Lloyd George's Cabinets, 19% of Baldwin's 1925 administration, and only 11% of the Conservative dominated 1935 National Government. This was the same figure as the 1924 and 1929 Labour Governments although this party had never really had a landed section.<sup>2</sup> There were also a greater proportion of landowners in the Cabinet than the Commons. During 1918-25 only 2% of the Commons were landowners compared with 14% of Cabinets (mostly in ministries which pursued traditional policies -- the foreign dominion, colonial, and military departments)<sup>3</sup>. The agricultural lead was taken over by Tory MP's, and even in local administration the rise of democratic forces reduced the former authority of landlords.

1. Guttsman, W.L., 'The Changing Social Structure of the British Political Elite, 1886-1935', British Journal of Sociology, 1951, pp.133-4.

2. Ibid. pp.125 and 128.

3. Ibid. pp.130-1.

As the political influence of landlords declined the Central Landowner's Association was formed as a pressure group for the landed interest. It was founded in 1908 to meet the Liberal threat of land nationalization, and grew from 1 000 members before the War to 8 000 in 1925,<sup>1</sup> and 10 000 in 45 county branches in 1932.<sup>2</sup> The expansion was a reflection of the broader basis of landownership and the organization's concern that its interests were those of all landowners and not just landlords. Its principal direct achievements concerned taxation relief and a joint campaign with the National Farmers' Union and National Union of Agricultural Workers for de-rating agricultural buildings. Generally, its ideas were related to government policy and the NFU's proposals<sup>3</sup>. It was the NFU, formed in the same year, which emerged as the more dynamic representative of farming, and the formation of the CLA did not prevent landlords losing their leadership of the agricultural community. Landlords, formerly the spokesmen, financiers, and innovators in agriculture, no longer had sufficient influence or capital to maintain these roles, and as they withdrew from the business of farming, farmers turned to the government, the NFU, banks, agricultural merchants, seed manufacturers, stock breeders, farm colleges, and county agricultural institutions, for support and advice. Farming had become a more complex technical and administrative enterprise. Farmers knew their requirements far better than landlords had ever done, and consequently it was the NFU which was consulted by the government in the formation of agricultural policy.

#### Landlords, Owner-Occupiers, and Farmers

Because the political role of landlords was quickly assumed by farmers, it was the landlord's economic decline that had a more significant effect

1. Self, P., and Storing, H., The state and the Farmer, (1962), p.179.

2. Central Landowners' Association, Agricultural Policy, Interim Report, (1932), p.3.

3. Ibid., and Final Report, (1932).

upon agriculture. The pattern of landowning was considerably rearranged during the period of sales from 1918 to 1925, which reduced the average estate size and raised the number of owner-occupiers to one-third of all farmers. As rents fell land became a relatively poor investment, and landlords were unable to maintain their former levels of real expenditure on their estates without a severe loss of income. By the late 1930s most of Britain's large landowners probably derived the greater part of their income from sources other than rents, and perhaps provided more investment than purely agricultural landlords.<sup>1</sup> Farmers whose savings had been drained away by low agricultural returns needed landlord capital to maintain the fixed assets of their holdings while they endeavoured to invest in production changes. Where landlord support was not forthcoming tenants were able to undertake the work themselves if they could finance it, protected by tenant right legislation. Farmers who had become landowners by purchasing their holdings with mortgages during 1918-25 fared worse than tenants. They were unable to gain mortgage remissions in depression, or to obtain landlord investment, and faced land taxes and tithes for the first time. Because owner-occupiers were short of working capital after making their purchase they were often unable to change their farming systems to the more remunerative areas of production. As farming became less profitable and more technical in the inter-war years landlords were forced to accept a lower return from their estates and withdrew from the business of farming. As a result many tenant farms were under-capitalised and farmers had to rely more on their own resources for investment. Farmers also came to take over the political leadership of agriculture, and developed firm relations with the government.

1. Astor and Rowntree, British Agriculture, p.388.

FARMERS AND THE STRUCTURE AND PERFORMANCE OF BRITISH FARMING

The inter-war years were a period of marked change for farmers, who traditionally have been regarded as a conservative and unadaptable sector of the community. Agricultural change was brought about by the Great War, the reversal of economic fortunes in the 1920s, the Slump, and the permanent change in relations with the government which began in the early 1930s. Under the stimulus of low incomes, farming development moved at a faster pace than before, and farmers as represented by the NFU became closely involved in the formulation and operation of agricultural policy. Individually, they benefited from and were affected by the administration of subsidy payments, wages regulation, and animal disease inspections. Adjustments in farming systems and types of output took place as farmers sought to obtain the most advantage from more profitable produce and government payments. This chapter examines the structure of British farming, the NFU, agricultural credit, the adoption of machinery, trends in farming incomes and performance, and the need for agricultural support.

The structure of British Farming

British agriculture ~~was~~ comprised of a wide range of farmers and holdings and it is difficult to consider what forms an average or representative type. Farmers differed greatly in social status, technical ability, experience, and character. Farms ranged in size from one to over 1 000 acres, and had varying types of enterprise, even in close proximity, usually dictated by the type of soil, climate, layout, and their accessibility to markets.

Over 80% of British farms were under 150 acres, and perhaps the family farm of 50-150 acres might be regarded as the most representative type. Approximately 110 000 such holdings covered 35% of Britain's farm land.<sup>1</sup> These were generally mixed farms and were found in all districts

1. Tables F.IIa and F.IIb.

but especially the hill country of England and Wales and in large parts of Scotland where this type was predominant. Family farms were usually run by a farmer with his son or brother, and one or two paid hands perhaps engaged for only part of the year. A wife and daughters would also contribute. The major advantage of this farm type was the cheap supply of family labour, which took only its keep and thus allowed great resistance to depression. A gross output of £500 to £1 500 might provide an income of £100 to £300 including self-supply and house rent.<sup>1</sup> The relatively high output per-acre, the tenacity of these farmers in depression, and the under-valuing of family labour, led a number of agriculturalists to believe that such farms were the best suited to the efficient development of British agriculture.

Less than one tenth of farmers operated substantial farms of 150-600 acres, regularly employing six or seven men. Approximately 56 000 such holdings covered 53% of the total acreage, but probably produced slightly less than half the total output because per-acre production was lower than on smaller holdings.<sup>2</sup> Found mostly in the midland and eastern counties they were usually engaged in mixed or arable production. These farms grew the bulk of wheat and barley, undertook the major part of bullock fattening, and employed half the farm labour force. Annual average gross output varied between £1 500 and £3 000 whilst incomes ranged from £200 to £800, depending on farm size.<sup>3</sup> These farmers took the most active part in public and agricultural affairs, in parliament, the NFU, the county councils, and agricultural and wages committees.

1. Astor and Rowntree, British Agriculture, p.360.

2. Tables F.IIa and F.IIb; Astor and Rowntree, British Agriculture, p.359.

3. Astor and Rowntree, British Agriculture, p.359.

Although they represented only 12% of the farm acreage there were 134 000 smallholdings of under 50 acres. These were the most specialized enterprises, usually being dairy or poultry farms.<sup>1</sup> These farms were also family holdings and employed very little hired labour. They provided very small cash incomes in addition to their produce, which was largely consumed by the producers. One illusion held by some agriculturalists since the late nineteenth-century was that it was desirable to encourage smallholdings in order to maintain families on the land, to enable labourers to become farmers, and because it was believed that small farms operated more efficiently than larger enterprises. The government expressed this thinking through legislation from 1892 which assisted the provision of such farms, especially when the rural exodus or unemployment was exceptionally severe.

Late in Victoria's reign the question of land distribution and its social effects attracted interest, while agricultural depression showed that small farms producing milk, poultry, eggs, pigs, fruit, and vegetables survived adversity better than large grain, beef, mutton, and wool enterprises. This was largely because small farmers carried on those more profitable areas of production, did not charge for family labour, and were extremely tenacious in depression because they regarded their holdings as a way of life as much as a business. Consequently a number of people came to favour the development of smallholdings.<sup>2</sup> However, these farms did not in fact perform well in comparison with larger farms once every allowance was made for unpaid labour, overtime, etc.. Progressive farmers could produce more from the land of larger farms than if it was parcelled into smallholdings.

1. Tables F.IIa and F.IIb.

2. Bone, Q., 'Legislation to Revive Small Farming in England, 1887-1914', Agricultural History, 1975, pp.653-661.

Under the Small Holdings Acts of 1892, 1908, 1919, and 1926 some 30 000 enterprises of under 50 acres or £100 rental were created, and accounted for one-fifth of all those existing in the 1930s.<sup>1</sup> It had proved impracticable to make these schemes entirely self-supporting, particularly during 1919-26 when large numbers of ex-service men were settled under extremely difficult conditions. Up until 1926 the burden of £7.6m. of losses fell on the Exchequer. After the 1926 Act the county councils assumed these risks, but faced smaller losses since fewer holdings were created thereafter and less than market rents were charged.<sup>2</sup> Despite this costliness the question of small farms was raised again in 1930-5, and although a Land Settlement Association was formed in 1934 to place unemployed workers on the land in co-operative ventures, enthusiasm abated as economic conditions improved.

Half the holdings created before 1914 were on bare land and without farm houses or buildings. Many were under twenty and even under five acres, often for poultry or market gardening, and were too small for it to be remunerative to live on the holding. After the War demand favoured larger 50 acre dairy or mixed holdings with farmhouses and outbuildings, and bare land holdings became difficult to re-let and were often amalgamated.<sup>3</sup> A substantial demand for smallholdings remained only in Scotland.<sup>4</sup>

It would appear that smallholdings were created to satisfy a dubious social need rather than a genuine economic one. Their scale of operation was too small to be efficient in respect of production, grading, packing,

1. Astor and Rowntree, British Agriculture, p.331.

2. Ibid..

3. Ibid. p.353.

4. Ibid. p.356.

transport, and marketing, and they were not a suitable subsidiary occupation because of the increasing complexity and degree of bureaucracy involved with farming. In addition there were the difficulties of disposing of small quantities of output and of obtaining suitable returns from a high level of capital investment that were comparable with other business opportunities. Formerly milk, poultry, and market garden holdings had kept their position against larger enterprises, but this became increasingly difficult as the competitive advantages of larger farms increased with depressed conditions. Market gardens became less successful because of the high labour costs involved, while poultry keeping became risky owing to the growing incidence of disease and fluctuating feed prices. Mixed arable and mixed pasture farms provided meagre livings unless the land was well suited to a specific crop, and although dairy holdings were in a more favourable position due to the relatively higher incomes offered by the milk industry and its adaptability to smallholdings, these farms were least able to meet demands for clean milk.<sup>1</sup> In the 1930s smallholdings produced under 20% of domestic food output, yet maintained half the total of farming families, while perhaps 15-20% of small holdings were held as part-time occupations by agricultural tradesmen and dealers, or as one of a number of holdings owned by such men.<sup>2</sup>

Agricultural smallholdings were seen as a bridge to allow workers to become farmers, or to give them an additional livelihood and independence. However, agricultural labourers' and smallholders' sons did not usually possess enough capital to embark upon a successful venture, and older, well capitalized, family men proved the most suitable settlers. Most county councils insisted upon previous agricultural experience, especially on the larger holdings where hired labour might be required, and perhaps two-thirds

1. Ibid. pp.334-5.

2. Ibid. pp.330-1, 333, and 359.



of council tenants had had farming experience and only 10% came from urban occupations.<sup>1</sup> However, despite the provision of smallholdings, the trend in the period was towards slightly larger farms, and smallholdings fell from being 67% of British farms in 1911-13 to 62% in 1939.<sup>2</sup>

While there was a certain movement of successful men to larger holdings, and of labourers into smallholdings, there was little evidence of an 'agricultural ladder'. The majority of new entrants took on farms already held by the family and thus about 5% of farms changed hands each year. Farms tended not to become concentrated in the hands of a smaller number of more successful men because of the very large amount of capital required for expansion and the lack of opportunity for taking farms in the immediate vicinity.<sup>3</sup> Although there was a 15% decline in the number of farms under 50 acres from 1911-13 to 1939, and a slight increase in the 50-100 acre group, these changes were due largely to a reduction in the number of small bare land holdings of under 20 acres provided by the early smallholdings schemes.<sup>4</sup> These holdings were combined into more economic farms, and many other farms were lost as a result of urban expansion. As with farming as a whole, individual improvement and expansion had to be accomplished in terms of increased output and return on capital expenditure per acre.

#### The National Farmers' Union

The National Farmers' Union provided the organizational basis for the transfer of rural leadership from the landowner to the farmer. It grew from the creation of the Lincolnshire Farmers Union in 1904, and other unions in Devon and Cornwall, which were merged in 1908 to form the NFU.

1. Ibid. pp.350-2.

2. Tables F.IIa and F.IIb.

3. Astor and Rowntree, British Agriculture, p.362.

4. Tables F.IIa and F.IIb.

The NFU expanded from 23 000 members in 40 county branches in 1914, to 100 000 in 58 branches in 1921, and to 126 000 members in 1939, thereby including one-third of all farmers, mostly those with the larger holdings.<sup>1</sup> This expansion was largely effected by the need during the Great War of consultation between government and agriculture in the formulation and the execution of food policy. The Union was recognized as the farmers' representative when it was allowed to nominate the employers' members of the Agricultural Wages Board in 1917. From 1932 it was actively involved in the preparation and execution of the marketing schemes, and its status was greatly enhanced in 1939 when a former president, Sir Reginald Dorman-Smith, was appointed Minister of Agriculture. The NFU's political influence was exerted in direct negotiations with the Ministry of Agriculture and through the agricultural MPs. With the growth of government intervention in the period a national body representing farmers was certain to have greater influence. The government needed the goodwill and co-operation of interested parties, and greater involvement in policy implementation was intended to have a moderating effect on the Union's aggressive behaviour.

The Union responded favourably to Lloyd George's Caxton Hall speech of October 1919<sup>2</sup> as the first statement of a government policy of reconstruction for agriculture in the post-War economy. However, the NFU was aware that the policy of rural revival was "one of political rather than industrial importance".<sup>3</sup> In the favourable farming conditions of 1919 the Union supported the continuation of guaranteed prices provided that adequate notice was given of any intention to abandon such a policy.<sup>4</sup>

1. NFU Year Book 1939, (1939), pp.421-7; Astor and Rowntree, British Agriculture, p.359.

2. 'State Help for Agriculture', The Times, 22 Oct. 1919, pp.12 and 17. See also Chapter II.

3. NFU, The Food of the People, (1920), p.4.

4. Ibid. pp.4-6.

Consequently the 'Great Betrayal' of 1921 broke the NFU's trust in the government. The Union was forced to accept the acreage payments for wheat and oats, and salvaged a £1m. grant for agricultural education and research and the substitution of conciliation committees for the Agricultural Wages Board.<sup>1</sup> Thereafter the NFU claimed that its position with regard to agricultural development was that it was not the Union's business to formulate policy, but that if otherwise uneconomic expansion was supported by the government, then farmers would require assurance that the history of Part I of the Agriculture Act would not be repeated.<sup>2</sup>

However, the NFU was always ready to remind the government that it had expressed concern with the high level of food imports in relation to diminished home production and rural depopulation. The Union stated that pledges made by government representatives in Paris in 1916, in Genoa in 1922, and during the 1922 election, to safeguard and promote home food production should be honoured.<sup>3</sup> The NFU firmly supported the Agricultural Tribunal's Report when it stated that only a subsidy could prevent the continued decline of the arable acreage and this aided the introduction of the beet sugar subsidy.<sup>4</sup> The government would not consider any further payments, but still maintained "That the land should yield its highest economic possibilities in the way of food for the nation, and...furnish a basis of life and a reasonable livelihood to the greatest number of people."<sup>5</sup>

1. 'Report of the Council of the NFU for the Year-Ended Dec.1921', NFU Year Book, 1921, pp.186-7.

2. 'NFU Memorandum on Agricultural Policy, 1925', NFU Year Book, 1926, p.99.

3. NFU Pamphlett No.21, The Food of the People, pp.1 and 3.

4. 'NFU Memorandum on Agricultural Policy, 1925', NFU Year Book, 1926, p.99.

5. Agricultural Policy. Cmd.2581, 1926, p.2.

Consequently the Union's involvement in agricultural policy in the 1920s was largely concerned with its specific and practical aspects. The NFU was also involved with such measures in the 1930s, but the marketing boards and subsidy policies occupied most of its time then.<sup>1</sup> Such specific and practical measures included tenant rights, smallholdings legislation, readjustment of local taxation, improved credit facilities, revision of tithes, improved rural transport and village amenities, improvement of livestock, and more powers for the destruction of pests etc.. The Union had opposed the Agricultural Wages (Regulation) Bill, and wanted the retention of voluntary collective bargaining,<sup>2</sup> and tried unsuccessfully to have the Act repealed in 1928.

From 1925 the Union showed increasing concern over the decline in the arable acreage, and from 1929 over the fall in livestock numbers.<sup>3</sup> It accepted a statement in 1927 by the Parliamentary Secretary to the Ministry of Agriculture, Lord Bledisloe, that the farming depression was due to monetary causes, the Argentine meat war, and the statutory regulation of wages.<sup>4</sup> The NFU believed that since government action was responsible for two of these factors, the government should accept responsibility and correct them. The Union was concerned with unrestricted imports of cheap and subsidized foods which competed with domestic output, especially the

1. See The Food of the People, (1920); NFU Pamphlett No.13, Revised Statement of NFU Policy, (1921); The Food of the People, (1922-3); Memo on Agricultural Policy, (1925); Agriculture, The Home Market and National Security, (1935); NFU Pamphlett No. 57, British Agriculture, (1938); Statement of the Considered Views, (1938); 'Reports of the Council', NFU Year Books.

2. 'Report of the Council of the NFU, 1924', NFU Year Book, 1925, pp. 234-5.

3. Table F.III, and Graph F.IV.

4. Hansard, Lords' Papers, Vol.69, 30 Nov.1927, Col.400.

5. 'Report of the Council of the NFU, 1928', NFU Year Book, 1929, p.346.

dumping of bounty-subsidized German wheat. However, neither Walter Guinness nor Noel Buxton would ask the government to introduce protection because of the Anglo-German Treaty and an unwillingness to put a countervailing duty on such imports or to pay for a subsidy.<sup>1</sup> The NFU continued to call upon the government to denounce any commercial treaties and international conventions which interfered with its freedom to protect home producers by imposing countervailing duties on bounty-fed imports, or by a prohibition of imports where necessary. These were to be supported by duties, subsidies, or guaranteed prices, in line with the government's declared policy to make farming pay, and the introduction of a 55s. per quarter guaranteed wheat price to stabilize the arable sector, as had been proposed by the 1930 Agricultural Conference.<sup>2</sup> In addition, the NFU reaffirmed demands for equal treatment for agriculture under the Safeguarding of Industry Act's provisions, the imposition of a duty on malting barley, the prohibition of skimmed milk imports, and an amendment of the Merchandise Marks Act to require the marking of competitive food imports upon exposure for sale.<sup>3</sup>

Even in the early part of the Slump the government's position in respect of protection did not change, and it gave its response in 1931 with the Agricultural Marketing Act. This was initially opposed by the NFU since it contained no provision to secure home producers a remunerative price in a regulated market, for no control of imports was allowed. The Union requested its withdrawal and the introduction of measures to create the suitable price conditions which Ramsay MacDonald had stated that it was the duty of the Government to maintain.<sup>4</sup> The pressures for assistance to wheat producers finally resulted in the 1932 Wheat Act, and the Union also approved the 1933 Agricultural Marketing Act after the insertion of a clause

1. Hansard, Vol.231, 30 Oct. 1929, Cols. 174-180.

2. 'Report of the Council of the N.F.U., 1930', NFU Year Book, 1931, pp.446, 483-4.

3. Ibid. pp.488-9.

4. Ibid. p.489.

ensuring that home production was to expand under the stimulus of marketing reorganization and import control. Thereafter, the NFU became heavily involved in the introduction and operation of the marketing schemes and agricultural legislation in respect of the commodity commissions and domestic price support programmes.

Whilst the NFU was involved in the administration of policy, it was critical of the overall approach. Here it had little influence, partly because of the constraints of trade treaties and also because the government did not allow the Union an active influence upon major decisions until in 1938, the Union produced a comprehensive criticism of government agricultural policy. The Union expressed dissatisfaction with the Ottawa Agreements and the ensuing treaties, and in 1935 again asked that the existing foreign trade treaties, in so far as they prevented the adoption of measures necessary for the protection of home agriculture, should be terminated and the home producer placed first in the market.<sup>1</sup> The NFU claimed to stand for the adequate control of competing imports as an essential complement to the marketing schemes, and urged that such measures should maintain the necessary balance between the various forms of agricultural production in order to prevent adverse production responses to price movements.<sup>2</sup>

In 1935 the Union favoured the current policy of levy-subsidies as the best protection for domestic agriculture and of achieving these aims, and was severely disappointed by the abandonment of this policy in 1936-7. In 1937 the Union pointed out that Ottawa had not prevented a reduction in meat prices and that the government had effectively tied its own hands in respect of import controls after 1934. It was concerned with the inadequacy of policy and the fact that it believed that the general rise in agricultural prices was not sufficient to compensate for a steady rise in

1. NFU Pamphlet No. 46, The Work of the NFU, (1935), p.1; NFU Pamphlet no.49, Agriculture...The Home Market and National Security, (1935), p.3.

2. The Work of the NFU, p.1.

the cost of labour, feed, fertilizer, and railway transport. The Union was convinced that the long-term policy utterly failed to account for the essential requirement of the market in regard to the regulation of market supplies, and did not provide a sound basis for the development of home agricultural production in peace or wartime conditions.<sup>1</sup>

The views of the NFU found final expression before the Second World War in the policy document of late 1938, which also stated the attitudes of the farmers' unions to policy up to that date. It claimed that the government's approach had not placed the industry on a sound economic footing, but had resulted in an unbalanced agriculture and intense cultivation of only the best land. Consequently, the Union argued that only a small minority of producers benefited.<sup>2</sup> The Union regretted that the government had departed from the levy-subsidy policy which "would afford the best long-term solution of the problem and hold the balance evenly between producer and consumer". Since the restriction of imports to the required level was not a likely policy, a comprehensive long-term approach was required to replace the abandoned levy-subsidy solution. The Union again advocated agricultural expansion with home producers to take the first place in the market. It also called for stable price levels and reasonable profits, to be achieved through the government undertaking to meet deficiencies in price. This was the basis of a system of "price assurance", in effect price guarantees, which by allowing greater imports would also safeguard consumers' interests.<sup>3</sup>

1. 'Report of the Council of the NFU, 1937', NFU Year Book, 1938, pp.411-2.

2. CAB 27/632, A Statement of the Considered Views of the National Farmers' Union and Chamber of Agriculture for Scotland, (1938), p.1.

3. Ibid. p.3, et passim.

The Union proposed that a Central Agricultural Fund be established by the government and administered by an independent Permanent Agricultural Commission. This would consider applications from producers' organizations for variations in payments, which would be distributed through the commodity commissions and marketing boards. Where assistance by deficiency payment was not found possible the Commission might apply to the Import Duties Advisory Committee for the imposition and variation of duties. This system would allow the regulation of domestic overproduction to be dealt with administratively. Since it claimed that the Commission's duty should be to use the Fund to assist production only to the extent required, and only so long as assistance was required, the Union believed the proposals would not involve much additional expense. These proposals would continue to allow the fullest use of imported supplies and not restrict the country's trading position. The Union also emphasized the importance of agriculture with its subsidiary supply and processing trades as a significant market for industrial goods. The NFU based its policy upon the principle of the standard price and deficiency payment as embodied in the Wheat Act, rather than subsidies which served as a fixed sum additional to the market price.<sup>1</sup> This method sheltered farmers from price fluctuations and guaranteed a set level of profitability assuming that costs were fairly stable, while subsidies which were additions to the market price simply provided a bonus that was profitable within a set range of market prices.

The NFU believed that since commissions existed for livestock, wheat, sugar, and bacon development, while others were anticipated for milk, and for poultry, then the principle of regulating commissions was favoured by the government. The Union also believed that since the principle of a fixed standard price existed for wheat, barley, oats, bacon, butter, cheese,

1. Ibid. pp.3-6.



and sugar beet, with an economic price only in the case of wheat, it was unfair that some produce was equally adversely affected by depression and not covered by price insurance. The unsatisfactory prices prevailing for cattle in the face of rising costs, despite the operations of the Livestock Commission and the International Beef Conference, were considered proof of the inadequacy of measures, and the deplorable state of the domestic sheep industry was seen to require immediate attention. It was believed that the recent reorganization of the bacon industry held promise of improvement and that the Potato Marketing Board should encourage the export of surpluses. Remunerative prices for oats and barley were called for, together with better support for manufacturing milk prices in order to allow liquid milk to be relieved of the burden of supporting processed milk prices, thus making milk cheaper and allowing increased consumption.<sup>1</sup> The government held talks with the farmers, who were able to achieve the introduction of legislation for sheep, barley, and poultry, and the renewal or revision of measures for wheat and milk respectively.

With the introduction of the marketing schemes in 1931 and the subsequent subsidies and protection, the NFU's programmes centred increasingly around the details of official policy and administration. Thus in the 1930s the Union gained the position of permanent consultant to the Ministry of Agriculture in domestic agricultural matters. It had always exerted influence through its Parliamentary, Press and Publicity Committee, a number of NFU sponsored MPs, and close relations with Conservative agricultural members especially. It had co-operated with the government over wartime price controls, agricultural wages regulation, and the foot and mouth outbreaks in the 1920s. It proved its abilities as an administrative body through the operation of the 1922 Joint Milk Committee, as the farmers' representative in relations with the beet factories from 1923, and through its strong representation on the county councils and the Agricultural Wages Committees. As the foremost agricultural body, the NFU was the only possible

1. Ibid. pp.6-11.

choice for the Ministry as a direct consultant for the marketing schemes, and as agricultural policy became wider in its scope it was inevitable that a national body representing farmers would have more influence. However, the NFU was not taken into the government's confidence in respect of important decisions relating to trade and agriculture. It could not gain representation on the Advisory Committee to assist the President of the Board of Trade for the 1923 Imperial Economic Conference.<sup>1</sup> There were no NFU members on the Empire Marketing Board,<sup>2</sup> nor the MacMillan Committee on Finance, Trade, and Industry.<sup>3</sup> The Union was not chosen to advise the Ministry at the Ottawa Conference (an agricultural MP was appointed instead), but it sent officials to Canada who proved useful to the Minister, and it later participated on its own initiative in the 1938 Sydney Empire Producer's Conference on meat. However, the NFU was an integral part of the initial expansion of government involvement with farming. Its twenty-four governing committees were involved with every aspect of agriculture and policy. Although it was unable to petition successfully for an expansion of agriculture, the adoption of the levy-subsidy policy, or a much higher level of protection, it was able to achieve some of these aims for individual commodities, and at the beginning of the Second World War it had produced a comprehensive approach to agricultural policy and a former president was the current Minister of Agriculture.

Other agricultural organizations also represented farming in this period, although the NFU was dominant. The Royal Agricultural Society, Young Farmers' Club, and various breed societies provided technical support for farmers. The Agricultural Organization Society was established in 1901 to promote the development of agricultural co-operation and was most

1. 'Report of the Council, 1923', NFU Year Book, 1924, p.202.
2. 'Report of the Council, 1929', NFU Year Book, 1930, p.393.
3. 'Report of the Council, 1930', NFU Year Book, 1931, p.488.

successful in the founding of farmers' trading societies, especially after the 1914-18 War when it promoted the Agricultural Wholesale Society to extend co-operation backwards from farmers' retail distribution societies to the sources of wholesale supply. The government assisted the Agricultural Organization Society with large grants under the 1923 Agricultural Credits Act, and gave all such co-operative societies relief from income tax under the 1924 Finance Act. However, the Wholesale Society went into liquidation, bringing about the collapse of the parent body too. It was wound up in 1925 under an arrangement by which the NFU undertook to carry on its functions.

#### Agricultural Credit

A combination of high interest rates, low returns on farming, and the reduction of landlord's capital made it difficult for farmers to undertake their own investment in the 1920's, and the support offered by the government in 1923 and 1928-9 did little to change this situation. Even when farm incomes were good few farmers had sufficient financial resources to enable them to conduct their affairs without resort to some form of credit. The turnover in agriculture was slow for most commodities, and hence even working capital was tied up for considerable periods. On the majority of farms, especially small farms, the rates of return on invested capital were uncertain and compared unfavourably with rates in other industries, or with rates farmers paid on loans. Such a disparity is natural between a relatively static enterprise like agriculture and other expanding industries, and consequently once landlord credit became reduced funds did not flow into agriculture without state assistance. However, despite low rates of return, British agriculture was able to obtain working capital, but often at a high cost.<sup>1</sup>

1. Astor and Rowntree, British Agriculture, p.385.

The farmers' best creditor, and the only one who might advance money free of interest, was his landlord, who customarily provided funds by allowing delays of up to six months on the quarterly rental.<sup>1</sup> However, there was a limit to the amount that most landlords could lend in this way. Such loans usually occurred in spring and autumn.<sup>2</sup>

Banks provided long-term accommodation through mortgages and short-term credit through overdrafts, usually at about 1% above commercial rates, although the amount lent varied with the collateral offered and the farmers' character as a sound business man. While this was the best means of obtaining loans, few banks appeared to understand agriculture's problems and farmers were unable to obtain enough credit and had to rely on the more expensive services provided by agricultural tradesmen. Advances of short-term credit were generally confined to farmers with bank accounts, and for most medium-sized farmers an overdraft was a routine arrangement for part of the year.<sup>3</sup> Bank credit was probably adequate in stock and dairy districts (where assets were seizable or the turnover quicker) but less available elsewhere although credit-worthy farmers were usually accommodated. Small family and tenant farmers whose main assets were growing crops faced difficulties raising credit, yet the granting of larger loans to such farmers often did not result in an increase in productive efficiency but gave an added burden on gross income.<sup>4</sup> Given the relatively poor economic performance of agriculture for most of the inter-war years the banks in general regarded farming as an unattractive investment. However, local private banks dealing on the security of personal knowledge of farmers had perhaps been more sympathetic than the large joint stock banks whose London

1. The CLA believed rent remissions to have been 3.9% of gross rents in 1938, and arrears to have been 3.5% in 1925 and 11.3% in 1937, CLA, Rent of Agricultural Land, pp.23-4.

2. Orwin, C.S., 'The Question of Short-Term Credit', Country Life, March 4, 1933, p.220.

3. Econ. Ser. No. 8, Report on Agricultural Credit, 1926, pp.28-9.

4. Ibid. pp.29-31; Astor and Rowntree, British Agriculture, p.384.

offices demanded collateral security.<sup>1</sup> Agriculture's weakness was that it was unable to offer the wealth it created, crops and stock, as security, and banks could not take any charge upon these assets except by a bill of sale which was fatal to any future credit.<sup>2</sup> In the 1920s banks were lending about £26m. long-term each year to agriculture, and slightly less short-term. Long-term bank lending doubled to £50-58m. in the 1930s as farming conditions improved.<sup>3</sup>

The principal source of short-term credit for farmers who could not meet their requirements from banks and landlords were agricultural merchants, tradesmen, seedsmen, dealers, and auctioneers. These gave credit on crops and stock and might even partake in agricultural production. Large amounts were advanced by allowing bills to run, but because credit had to be paid for, and provision made for bad debts, the amount of the charge, unlike interest rates, was rarely known, being hidden in the price charged for the commodity sold. Livestock and seeds might be bought on the understanding that the vendor would have them back for re-sale, taking the first cost and loan charge from the proceeds of the ultimate sale, and possibly exploiting the farmer who had no alternative but to purchase his necessities of business in this way.<sup>4</sup> Farmers who bartered produce for credit had little idea of its cost, and were unable to choose when they might sell, which was an important consideration given the seasonal pattern of prices. There was a considerable expansion of hire purchase facilities in the 1930s for stock and machinery etc., the terms of which were generally convenient and not burdensome, excepting livestock purchase which created excessive charges.<sup>5</sup>

1. Econ. Ser. No.8, Credit, pp.30-1. The final stage in the amalgamation movement in banking occurred in 1917-20.

2. Ibid. p.31.

3. Hooper, S.G., The Finance of Farming in Great Britain, (1956), pp.233-5.

4. Orwin, 'Short-Term Credit', p.220.

5. MAF 38/79, Note on Agricultural Credit in Great Britain, June 1938, p.9.

Farmers complained that bank credit was inadequate and that merchant credit was too costly. Small farmers suffered most from both these deficiencies. It had long been felt that sources of credit were insufficient or unsatisfactory, and the government was twice persuaded to extend credit facilities, but with limited success. The NFU applied for government help with credit facilities in 1920 once the last country banks were absorbed by the London clearing banks, who were less amenable to farmers.<sup>1</sup> The NFU applied for government funds once facilities were offered to manufacturing industry.<sup>2</sup>

The government had provided long-term credit for landlords since the Public Money Drainage Act which accompanied the repeal of the Corn Laws. This was extended in the 1860s with the Lands Improvement Company which arose from the Improvement of Lands Acts 1864-9. Credit was advanced for investments, largely in respect of land drainage, and was repayable as an annuity over forty years on the security of the rent charge.<sup>3</sup> However, by 1933 the Company had advanced only about £15m. although the range of authorized improvements had been widely extended.<sup>4</sup> Short-term facilities had been arranged between the Board of Agriculture and the banks in England and Wales during the wartime production campaigns, which provided government guaranteed loans for seed and fertilizer purchases for up to nine months at interest of 5%. Commercial rates were higher than this. Unfortunately this support was withdrawn at the end of the War.<sup>5</sup> In addition the Small

1. NFU, The Food of the People, The Nation and its Greatest Industry, (1920), p.19.

2. Funds were offered to industry by the Trade Facilities Act, 1921. NFU Pamphlet No.21, The Food of the People, (1922-3), p.4.

3. Official approval was required for each loan, and the annual value of the property had to be increased by the improvement to an extent not less than the additional rent charge to be created, which would then provide interest on the eventual repayment of the loan.

4. Courthorpe, Sir G., 'Letter on Long-Term Credit', Country Life, March 4, 1933, p.221.

5. Astor and Rowntree, British Agriculture, p.377.

Holdings (Scotland) Act, 1911 permitted the Board of Agriculture to grant loans for building improvements, although these provisions were little used, and in 1915 District Agricultural Committees arranged loans and hired implements to farmers until the Board took over these functions in 1916.<sup>1</sup> Finally the farmers' need for credit was reflected by the formation in 1920 of the Farmers' Land Purchase Company, in association with the Lands Improvement Company, to assist aspiring purchasers of land. However, the bulk of money borrowed to acquire holdings after the War was furnished by banks, and to some extent through solicitors who invested trustee funds in agricultural mortgages.<sup>2</sup>

As a result of NFU pressure a departmental committee was established in 1923, which brought about the 1923 Agricultural Credits Act.<sup>3</sup> This reflected the belief that agricultural credit was best provided on a co-operative basis. The government was to provide half the capital of local farmers' societies, formed under the Industrial and Provident Societies Act, 1893, while farmers paid only 5s. per £1 shares. The uncalled capital of members who had not taken loans, or not taken them to the full amount of their uncalled capital, could be requisitioned to repay state advances if a borrower defaulted.<sup>4</sup> This system operated successfully in peasant communities, notably in Germany, but British farmers were mistrustful and it was opposed for fear it would undermine merchant credit. Essentially it failed because there were wide local differences in farmers' social status, and also farm type and size, which did not apply on the continent. Consequently, although the Act also allowed the societies to make loans

1. Ibid.. The Scottish Land Settlement Association and the Dundee Land Settlement Trust also provided loans to smallholders, MAF 38/79, Memorandum on Agricultural Indebtedness in Scotland, July 1938, p.2.

2. MAF 38/79, Note on Agricultural Credit in Great Britain, June 1938, p.2. Banks lent at 6-6½%, solicitors at 6-7% without redemption, vendors at 5%, relatives at 4-5%, and the Farmers' Land Purchase Company at 6-6½% gross plus a half-yearly 2½% repayment of capital. Report of the Committee on Agricultural Credit, Cmd.1810, 1923, p.12.

3. Report of the Committee on Agricultural Credit, Cmd.1810, 1923.

4. Thus if twenty farmers subscribed for £200 each on which only 5s. was paid up, they had a nominal capital of £4 000 at a cost of £1 000, and could borrow £4 000 from the state to lend each other on a joint responsibility.

during the next five years to repay mortgages incurred between April 1917 and June 1921, over periods up to sixty years, only nine societies were registered, and six of these operated only very briefly and on a very small scale.<sup>1</sup>

The failure of the 1923 Act led to the Enfield Report,<sup>2</sup> which resulted in the 1928 Agricultural Credits Act. Its long-term provisions were largely due to the prolonged agitation on behalf of former tenant farmers who had purchased their holdings after the War by borrowing at the high rates of interest then current. Thus the Agricultural Mortgage Corporation (owned and operated by the Bank of England and the majority of joint stock banks, working through their local branches, and with assistance from public funds), was formed to make loans to farmers on favourable terms on the security of stock and other farm assets. The Corporation was empowered to raise up to £5m. by the public issue of debentures, and the state might make advances to establish a reserve Guarantee Fund equal to the aggregate of paid up share capital.<sup>3</sup> The Corporation's principal purpose was to provide mortgage loans for up to two-thirds of the estimated value of the agricultural land, under the Improvement of Lands Acts, in order to purchase a farm or to discharge an existing mortgage. Repayment was to be half-yearly at 5½% over sixty years. Loans were also available at 6% interest for major improvements. These were much more favourable terms than were available elsewhere in 1928, and this was the first time that loans on farm mortgages had been made repayable by regular instalments. Not only was a

1. Astor and Rowntree, British Agriculture, pp.378-9.

2. Econ. Ser. No.8, Report on Agricultural Credit, 1926.

3. These were to be treated as public securities, up to 25% of which might be subscribed by the Treasury. Dividends were limited to 5%. Public funds were also to provide £10 000 per annum for ten years, towards administration costs.



standard long term farm loans system established, but the scheme sought to bring public savings into agriculture, which being a large number of individual enterprises seldom was able to operate on a joint stock basis, and was at a disadvantage compared with industry which could raise capital through stocks and shares. Consequently additional debenture issues were allowed, to raise loan capital and to create a standard agricultural investment. The first issue in June 1929 was for £5m., followed by £3½m. in May 1930 and £2m. in May 1932.<sup>1</sup>

Generally, if a farmer had one-third of the purchase price and command of the necessary capital to operate reasonably efficiently there were no obstacles to borrowing to purchase a farm or equipment. Farmers then enjoyed complete freedom of action and security of tenure, and no fear of an arbitrary calling-in in of the loan. The largest proportion of farmers using the Corporation's facilities were owner-occupiers desirous of re-financing existing mortgages on more favourable terms, rather than tenants or non-agriculturalists commencing purchase, and the loans were geographically well distributed.<sup>2</sup> The total advance outstanding in March 1938 was £12.416m. on 846 860 acres worth £19.541m., and few foreclosures were necessary. Those obtaining under £1 000 made good use of the Act, taking 26% of the loans and the majority of advances were on farms of under 200 acres.<sup>3</sup> However, extensive use of the Act was really made only until March 1933 when almost £10m. had been loaned, but when interest rates fell in 1932 many potential borrowers could obtain cheaper credit elsewhere, largely from banks. The Agricultural Mortgage Corporation's Loan rate fell only to 4.25% in April 1934, and this was still higher than the Bank Rate and the rate of bank lending to farmers. Only in 1929 was the AMC's loan

1. All this stock subsequently rose in value. MAF 38/79, Note on Agricultural Credit, pp.3-5.

2. However, loans were most prevalent in Yorkshire, Lincolnshire, Kent, Norfolk, and Somerset, Witney, D., 'Agricultural Long-Term Credit Facilities in Great Britain', JRASE, 1938, p.8.

3. Ibid..

rate lower than the Bank Rate. The Corporation's central difficulties here were related to the rigidity of its terms which required it to pay a dividend to its debenture holders from whom it had obtained the greater part of its funds. The government would not provide relief for although the 5% and 4½% debentures were anomalous in an era of cheap money, they were long-term securities not redeemable before 1959, and thus future purchasers would be denied favourable purchase terms and a high degree of security. The government did not attempt to buy these debentures on the market. Consequently there was a marked increase in the Corporation's idle funds, and a fall in annual profits which caused a significant rise in the number of "other investments" after 1933, and in March 1938 over £2m. still awaited investment in agriculture.<sup>1</sup>

The formation of the Scottish Agricultural Securities Corporation under the Agricultural Credits (Scotland) Act, 1929 was delayed by the onset of the depression. It was finally registered by four Scottish banks in January 1931 with a share capital of £100 000, and Scottish Department of Agriculture loans, and commenced operation in August.<sup>2</sup> The SASC made steady progress, and provided £631 000 of loans on 101 329 acres worth £1.044m. in March 1938, and required a further £31 802 overdraft in 1937/8 to increase its advances.<sup>3</sup> Initially the loans replaced existing mortgages, but were later used for the purchase of new farms, and were geographically well distributed with 54% on farms under 200 acres.<sup>4</sup> There were no arrears of interest or capital, and because the fall in interest rates reduced demand for loans no second issue of debentures was made. In contrast with England, the Scottish Corporation concentrated on consolidating its financial position and did not declare a dividend.

1. Ibid. pp.9-10.

2. These banks were the Royal Bank of Scotland, the National Bank of Scotland, the British Linen Bank, and the Commercial Bank of Scotland, MAF 38/79, Memo. on Agricultural Indebtedness in Scotland, 1938, p.3.

3. Witney, 'Agricultural Long-Term Credit', p.10.

4. Ibid. p.11.

The long-term provisions of the Credit Acts were well used until the fall in interest rates. The higher dividend rates on debentures sold prior to and during the fall in interest rates petrified lending terms during the agricultural depression when fluidity would have been desirable. Long-term debentures were too inflexible to finance long-term credit, which needed to be related to contemporary money market conditions. However, it would have required substantial government funds to enable the English and Scottish corporations to cut their basic interest rates the required 1% which would have allowed them to compete with the market, and no such aid was forthcoming.

Part II of the Agricultural Credits Acts of 1928 and 1929 attempted unsuccessfully to deal with problems concerning the nature and legal status of the security that farmers could offer for short-term credit, on which depended the amount of accommodation that banks would grant. Tenant farmers could not obtain money on farm land or buildings, and money lent was locked up for a long period and an uncertain return. Thus merchants' credit grew, for they could offer acceptable securities to banks and then act as an intermediary for bank credit.<sup>1</sup> Hence the difficulty lay less with the lack of credit than the lack of security. The Act enabled farmers to create a fixed 'agricultural charge' on stable securities and floating charges on farm stock and other assets as security for a bank overdraft or loan. In Scotland these provisions were also applicable to loans to agricultural trading societies, which were better established there than in England. Previously security for loans had been given in the form of a bill of sale on the borrower's goods, which in the interests of other creditors had to be registered and advertised, effectively drying up all further sources of credit. The Acts operated on the erroneous principle that if in an attempt to end merchant credit, loans on farm assets were restricted to banks and registered in London, and not advertised locally, they would somehow be differentiated from ordinary bills of sale. What actually happened was that banks often took a chattel mortgage as security for money already advanced, while agricultural merchants employed trade

1. Astor and Rowntree, British Agriculture, p.380.

protection societies to inspect the London register and then withdrew their own credit from mortgaged farmers. The Acts may thus have made farmers' short-term credit situation worse.<sup>1</sup> However, the scheme did not come into full operation until 1930 as farm incomes began falling and farm assets were rapidly losing value, and less new lending was being undertaken on general economic grounds. The scheme fell largely into disuse thereafter, leaving banks and merchants as the most important source of working capital.

There were reports of increasing pressure from bankers and other creditors upon farmers in the depression, threatening a reduction in short-term credit which would increase the industry's problems and lead to indebtedness on long-term borrowing. This was most serious in the arable counties, notably in Lincolnshire.<sup>2</sup> However, creditors showed restraint and did not foreclose, knowing that they stood a better chance of realizing their assets following the depression when prices were higher, and generally held off until 1934-5 before acting, if it was then still necessary to do so. Thereafter, farmers continued to complain of their inability to obtain credit, which was particularly irksome in a period of low interest rates.<sup>3</sup> Long-term credit was either secure, but expensive, from the agricultural corporations, or cheaper but less secure from banks. Short-term credit was still difficult to obtain cheaply, and smaller farmers especially were forced to rely on merchant credit. The 1928-9 Acts provided a working solution to long-term credit problems only during the depression until interest rates fell, and failed entirely in respect of short-term accommodation.

1. Orwin, 'Short-Term Credit', p.220.

2. MAF 38/115, Bank Advances to Farmers, 1933, pp.3-4, N.F.U. Memo. on Agricultural Credit, No.1932, p.1.

3. MAF 38/115, NFU Memo on Agricultural Credit, No.1932, p.3.

Improvements in Farm Production - Machinery and Accounting

Whilst there were specific changes taking place in farming systems in the inter-war years, and changes in the production of certain commodities, farming was generally becoming more technical, especially on the larger farms. There was an increase in powered machinery which began primarily in the First World War, especially the replacement of horse and man power by motor tractors and oil and petrol engines. These were gradually adopted into existing farm systems and resulted in a marked increase in the efficiency of hired man labour, which contributed to a rise in farm output despite the fall in the work-force.<sup>1</sup>

The most notable mechanization occurred on a few large corn farms, but the most important application of machine methods was their adoption on the small mixed farms most typical of the country, with the internal combustion engine greatly increasing the flexibility of mechanized power.<sup>2</sup> Farm tractors were mostly confined to limited seasons or periods, and the time during which such machines were in use might be short. However, certain equipment, such as milking machines, might be used twice daily. By 1937/8 36% of dairy herds were equipped with milking machines.<sup>3</sup>

The ease with which a machine might be adapted to various operations, and hence to more frequent use, was important in determining its efficiency. A machine might provide a saving by accomplishing a task cheaper than men and horses, or by performing a task more quickly, allowing a greater utilization of men and equipment in a given time. In addition it might reduce the number of horses required, and hence allow oats and other farm grown feed crops to be replaced with cash crops. However, in order to obtain an efficient substitution of machinery, unless it was rented, large

1. Tables F.I and F.VI. See also Chapter XII.

2. Carslaw, R. McG. and Culpin, C., 'Labour Power and Equipment in Arable Farming', JRASE, 1936, p.16.

3. Pedley, W.H. Labour on the Land, (1942), p.6.

acreages or herds were required, perhaps 500 acres for a combine harvester, because overheads were too high to justify use on small holdings.<sup>1</sup>

About one million farm horses were still the major source of power on most holdings,<sup>2</sup> although there were 18 500 tractors in 1931 and an additional 4 000 were sold to farmers each year in the 1930 s.<sup>3</sup> While tractors represented 42% of the total available power from farm horses, tractors, and stationary engines, and horses represented 45% of the total power, only 26% of the work was done by tractors and 70% was carried out by horses.<sup>4</sup> Farms using tractors tended to secure better profits than on similar unmechanized farms, despite higher costs per acre, often because gains in higher output per acre allowed lower costs per unit of output.<sup>5</sup>

A second development of importance was a realization of the advantages of keeping regular farm accounts. More book-keeping was done in the 1930s, partly as a result of the pressures of economic circumstances which forced continual readjustment to more profitable areas of production, and partly as a result of work done by economists at agricultural advisory centres. Yet, the majority of farmers still kept no account of their transactions, perhaps having a bank book at most. Many family farmers and smallholders had no time or knowledge to make up detailed books, and cash transactions were a smaller part of turnover in comparison with their own labour.<sup>6</sup>

1. Ibid. p.20.

2. Table F.III.

3. Table F.Ib.

4. Carslaw and Culpin, 'Labour, Power and Equipment', p.28.

5. Carslaw, R.McG., 'Farm Organization and the Productivity of Labour', Fourth Oxford Farming Conference, (Oxford, 1939) pp.25-38.

6. Astor and Rowntree, British Agriculture, pp.365-6.

Because most farmers did not keep a set of accounts for each product that they produced, then they were often unable to ascertain precisely which of the commodities they produced were the least profitable. The result was that farmers often complained of low incomes from those products that fell most in price, whether or not this reflected the trend of profits too.

### United Kingdom National Farm Income

The total factor income of agriculture has formed a declining part of national income since at least the mid-nineteenth century.<sup>1</sup> In 1867-73 agriculture earned 16.0% of total domestic income. In 1911-20 it took 6.8%, and after a sharp fall in 1921-2 it dropped only slightly to 3.2% in 1937-9.<sup>2</sup> Total UK farm incomes in 1911-13 were £54.3m.,<sup>3</sup> and these years have been taken as a basis for comparison with conditions in the inter-war years. Income on an "average 64 acre tenant farm"<sup>4</sup> was equivalent to average national earnings then, and farm bankruptcies in England and Wales averaged 322 per annum, only slightly above the figure of 300 regarded as the normal expectation of insolvencies.<sup>5</sup>

Farm incomes have to be measured solely in terms of cash incomes, because it is not possible to account for loss from depreciation of capital and failure to undertake repairs. Incomes rose during the First World War, and were high until 1920 despite a slight reduction in 1919. The decline

1. For a thorough discussion of the role of agriculture in expanding mature economies see Ojala, E.M., Agriculture and Economic Progress, (1952). See also Feinstein, C.H., National Income, Expenditure and Output of the U.K., 1855-1964, (Cambridge, 1972).

2. Table F.VII.

3. Table F.V. All figures quoted in the following pages refer to Tables F.V-VI. Farm incomes are shown in Graphs F.I and F.II.

4. The average farm size in Great Britain was approximately 64 acres, and two-thirds of farms were tenant farms. Thus figures are quoted for the "average 64-acre tenant farm" for the purpose of depicting average annual changes in farm incomes and comparing these figures with national average earnings and returns on capital. See Tables. F.V and F.VI.

5. Jones; W.H., 'Insolvency in Farming', Welsh Journal of Agriculture, 1938, p.74.

in bankruptcies support this pattern. Incomes from the average size farm, a 64 acre tenancy, reached 185% of average earnings in 1916, and then declined slowly as average earnings rose, while real farm incomes reached a peak in 1916-13.<sup>1</sup>

The rapid fall in the general and agricultural price level in 1921 resulted in a marked reduction in farm incomes and a return to parity with average earnings. The unexpected fall caused a rise in bankruptcies from 44 in 1920 to 285 in 1921 and 403 in 1922. Although the least efficient of recent owner-occupiers and farmers were bankrupted or sold to new landlords in 1922, insolvencies continued to rise as incomes fell in 1923. The maximum period for which a farmer could hold out against creditors was probably one year,<sup>2</sup> and the ensuing economic conditions then affected the resultant number of failures. It was the rate of an unexpected decline in receipts in relation to expenses, rather than the level of incomes, which usually determined the number of insolvencies. Hence, the sharp fall in 1923 compared with 1922 caused a greater number of failures than the lower level of profits in 1924. Also, as less efficient farmers were forced out in the early 1920s, it is possible that a more efficient residue remained, better able to face economic adversity.

During 1923-7 income on an average size tenant farm was £90, about 65% of average UK earnings, and 70% of the real farm incomes of 1911-13. The situation improved in 1928-30 when this income rose to £103, but real relative incomes were still below 1911-13 levels and insolvencies were initially high after the price fall in 1927, and subsequently as a result of declining arable farm incomes. However, farming was later considered by the Ministry's Land commissioners to have been in a satisfactory condition

1. "Real farm incomes" refers to the purchasing power of cash incomes expressed in relation to the retail price index.

2. Jones, W.H., 'Insolvency in Farming', p.67.



in 1929.<sup>1</sup>

The depression in domestic agriculture began on wheat and arable farms in the autumn of 1929, and then spread to mixed and grass farms, and lasted until mid-1932. The most severe period, in 1931 and early 1932, was followed by substantial recovery and improvement by 1934, although conditions were not everywhere regarded as satisfactory.<sup>2</sup> Average farm incomes fell from £108 in 1930 to £66 in 1931, £10 lower than the earnings of agricultural labourers and half average UK earnings. There was little improvement in 1932, although by 1934 subsidized incomes were £143 and equivalent to average industrial earnings. The incidence of insolvencies supports these figures, having risen to 497 in 1931, to 600 in 1932, and fallen to 428 in 1933 and 288 in 1934. Real incomes were slightly higher in 1931 than 1927, but the fall in receipts was nine times as large and the fall in money incomes almost double, and this caused a much higher number of failures. The falls in income and receipts in 1921 to 1923 were much larger than in the Slump, but expenses also fell in 1921-3, incomes were higher, and savings from the profits of the Great War reduced the number of bankruptcies. The greatest number of insolvencies in the period was registered in 1932 after farmers had held off creditors from 1931, who equally did not wish to realize farm assets at a time of low product and stock prices. The improvement in 1932 was initially too slight to influence these factors, but creditors, who were often in depressed subsidiary agricultural occupations, were forced to prosecute for debt to raise funds even where this resulted in a loss.

The recovery in farm incomes began in late 1932, as average farm incomes rose to £120 in 1933 including the wheat payments and indirect support. This was a higher income than in 1930, and real incomes were higher than in 1911-13, but if allowances could be made for depreciation

1. MAF 38/49, The Economic Position of Agriculture Part II, Financial Condition of Farming in 1935, 1936, p.16.

2. Ibid. pp. 16 and 49; Graphs F.I-IV.

of farms and equipment the picture would appear less healthy. In 1934, average farm incomes reached their highest point in the period, even without the addition of subsidies from cattle and milk, and were equivalent to average national earnings for the first time since 1922. In 1935 the Land Commissioners reported a more optimistic tone than for many years, even compared with 1929 before the economic collapse.<sup>1</sup> To some extent this greater optimism was said to be justified by actual farming results, for farmers had improved their financial position and overcome depression in almost every part of the country. However, tenants had invariably let the land run down during the Slump, in effect living on capital, which diminished the significance of the improvement in returns. Deterioration was widespread, even in areas reported to be fairly prosperous, with hedges and ditches neglected, and fertility reduced through deficient liming and manuring and from distortions in farming practice. Owner-occupiers with high mortgage and interest payments fared worst. They were forced to economize on maintenance even at the expense of fertility and yields, and were also unable to finance improvements necessary to keep abreast of changes in farming practice. However, it was reported by 1935 that farmers were generally paying their way and reducing indebtedness without this adversely affecting their standard of living or the condition of their farm. By 1935 the Ministry's Economics Intelligence Branch believed the depression to have ended, and that any further government assistance might only be justified if it were intended to stimulate a further expansion of agriculture.<sup>2</sup>

Farm incomes were relatively steady from 1934 to 1939, apart from a reduction in 1937-8. The Ministry's reports on agriculture during 1935-40<sup>3</sup>

1. MAF 38/49, The Economic Position of Agriculture, 1935, July 1936. pp.16-17, 45-9, 53-4.

2. Ibid. pp.53-4.

3. MAF 38/49, 52, and 60, Economic Position of Agriculture, 1935-40.

suggest that conditions improved slightly until 1937, with a substantial set back in 1938<sup>1</sup> (which was possibly greater than the statistics of the financial condition presented in Table F.V suggest). However, these reports might show a lag of one year, and the bankruptcy figures support 1937/8 as the year of lowest incomes, and sheep and barley systems certainly suffered then. It was concluded that "The general picture presented is one of an ascent from the bottom of the depression of 1931/2 — at first a fairly steep ascent but gradually flattening out — and then in 1938 a reversal".<sup>2</sup> Insolvencies during 1934-7 averaged 246, and in 1938-9 were 226, reflecting the significant gains in cash, real, and relative incomes compared with figures for 1911-13 and the 1920s. Farm income tax assessments and payments under Schedule B also show farm incomes to have been higher in the 1930s than the 1920s.<sup>3</sup> Total incomes from an average 64 acre tenant farm exceeded average earnings in 1934 and 1939, and farmers had higher cash incomes then than at any time since 1920. However, the situation would appear less favourable if an allowance could be made for the depreciation of fixed farm capital.<sup>4</sup>

The proportion of total agricultural income taken by farmers continued to exhibit the same trends in 1911-39 as had characterized the period 1867-1910.<sup>5</sup> Because rents were relatively static from year to year and farm wages were not raised significantly or sharply reduced, the proportion of total factor income taken by farmers rose or fell according to the total agricultural income. As total agricultural incomes rose, the proportion taken by landlords and labourers fell, and vice-versa. However,

1. Debts as a per-cent of sales of agricultural requirements, income tax reduction claims, and the per-cent of Clearing Bank advances frozen, all fell during 1934 to 1938, MAF 38/59, pp.7,10,11, and 21.

2. Ibid. p.50. This report suggested this was due to high sheep numbers, and the fall in barley, sugar beet, and fruit prices, p.51.

3. Annual Reports of the Commissioners of H.M.'s. Inland Revenue, Schedule B Income Tax.

4. This certainly became significantly reduced in the 1930s, Report of the Committee on Land Utilization in Rural Areas, 1942, Cmd.6378, 1942, p.15.

5. Table F.VII.

there was a slight shift in the distribution from landlords to labourers across the period 1867 to 1939.

#### Incomes on Different Types of British Farms

The vagaries of weather and economic fortune affected different farms in different ways, depending upon where the emphasis of the enterprise lay, but collectively, and sometimes individually, the different farm types did reflect the general movements in farm incomes. Yet, while the national farm income was usually fairly steady from one year to the next, profits fluctuated greatly on and across the different farm systems of Great Britain. Unfortunately there is little information for individual farm incomes in Britain,<sup>1</sup> except for Scotland.<sup>2</sup>

Owing to the lack of annual series of farm accounts in the inter-war years, farm receipt and expenditure data printed in the 1938 National Farm Survey<sup>3</sup> were selected to correspond with the major farm types described by the Land Utilization Survey Report<sup>4</sup> of the same year. The detailed receipt and expenditure figures were then extrapolated to 1922/3 on the necessary assumption that the farms' structure was unchanged (except for the use of the national farm data to calculate repairs and the substitution of labour by machinery). This method tended to raise incomes

1. Suitable commentary from farmers concerning either the national trends in farm incomes, or the patterns on different farm types, are not readily available. There are usually only comparisons of farm types with one or two previous years, or one farm type with another, and comments of this sort are best illustrated by the Land Commissioners' reports. This is also true for individual commodities, and the picture here differed according to the area of the country, or season, in which they were produced. Consequently it has been necessary to draw heavily on the results produced by the data presented in Tables F.IV-VIII and Graphs F.I-IV.

2. Graph F.IIIb. Department of Agriculture for Scotland, Reports on the Profitableness of Farming in Scotland, 1928/9 to 1938/9.

3. Oxford Agricultural Economics Research Institute, Economic and Financial Study of Farming in England and Wales, 1938, (Oxford, 1938). This extensive survey began in 1937, but did not use the same sample of farms in each year. The 1938 data provides the most useful survey, being more comprehensive than the 1937 figures, and not affected by the onset of war, as occurred with the 1939 figures.

4. Land Utilization Survey of Great Britain, A Farming Type Map of England and Wales, 1938, (1941).

in the earlier part of the period since it registered moves to the more profitable areas of production, the abandonment of roots for cash crops, and a higher volume of feed purchases, as already in being in 1922/3 instead of recording the rise in incomes brought about by these changes. Equally, the holdings selected by the survey were probably more efficient than most since they actually kept accounts, and consequently record a higher level of incomes than was typical. What the figures do indicate are the direction and amount of changing annual fortunes on sixteen farm types.<sup>1</sup> Some types show a good correlation with the Scottish farms, and those types with a small number of major enterprises relate well with the graphs of income from farm produce<sup>2</sup> which were derived from different sources and extrapolated from earlier groups of years. Whenever possible income data or qualitative evidence from the Land Commissioners' reports have been included, although the latter did not always allow fully for arable subsidies since these were not paid at the time of the sale, and sometimes opinions in one year reflected better the fortunes of the previous year. However, with these additional indications considered it would appear that the extrapolated data does provide an acceptable record of the fortunes of different farm types during 1922/3 to 1938/9.

The Land Utilization Survey categorized farms into pasture, mixed, arable, and other holdings, and subdivided each category into a number of types.<sup>3</sup> The five pasture farm types had less than 30% of their land devoted to arable cultivation. "Predominantly Dairying Farms" (Type A) were concerned almost solely with milk production, including butter and cheese making and the rearing of heifers for herd replacement. These were frequently all-grass farms, especially the smaller holdings, and were found principally in Lancashire, Cheshire, Staffordshire, Derbyshire,

1. See Table F.VIII, and Graph F.IIIa for this extrapolated farm income data.

2. Graph F.IV.

3. Maps F.I and F.II.

Somerset, Dorset, Hampshire, and the Gloucester Vale. Such farms earned their incomes throughout the year, and these were generally rising across the period, and were supported by fat cattle subsidies and the milk marketing schemes.

Farmers engaged in "Dairying Supplemented by Other Livestock Enterprises" (Type B) showed less tendency to have all-grass farms and particularly towards eastern England some areas developed small sales of potatoes.<sup>1</sup> Other associated enterprises included fat cattle, sheep, lamb, pigs, and eggs and fruit, but seldom all on the same farm, and as with Type A, excepting sheep and cattle grazing, these were side-lines of the business: The average farm size was small, many being smallholdings, and like Type A they were found near industrial towns on areas of widely differing fertility, principally in Glamorgan, Warwickshire, Shropshire, the south-west, Essex, Kent, Surrey, and Sussex. The pattern of incomes was similar to Type A, and both these types showed a strong correlation with incomes from milk production.<sup>2</sup>

"Grazing and Dairying Farms" (Type C) produced fat cattle and some sheep and lambs. The dairying side was expanding in the period on many of these midlands farms as fat cattle production became less economic there.<sup>3</sup> The Northumberland area carried less dairying, but was also a region of notably good pasture management. Total incomes from such farms probably declined across the period until they were maintained at late 1920s levels by wheat and cattle payments, but even then were regarded as poor. They showed a stronger correlation with incomes from fat cattle than from milk.

1. Land Utilization Survey, A Farming Type Map, p.7.

2. Graphs F.IIa and F.IV.

3. Land Utilization Survey, A Farming Type Map, p.7.

The principal upland areas of the north and west were subdivided amongst "Rearing Supplemented by Several Other Livestock Enterprises" (Type D), "Mainly Rearing and Sheep Grazing" (Type E), and "Land of Small Agricultural Value" (Type X). The latter was highest in altitude, while Type D was lowest and most productive, being on better soil, less steep slopes, and less exposed to wind or snow. This type could include dairying, fat cattle, and lamb, and some sales of barley or potatoes. The staple enterprises, however, were cattle and sheep rearing together with sales of fat ewes, lamb and hogs. It was exceptional not to find cattle and sheep together on grassland used for rearing or feeding. These farms occurred principally in Devon, along the lower parts of the Pennines, and around Cleveland.<sup>1</sup> They gained no significant direct benefit from the cattle subsidy, and incomes on this type might have been lower in the 1930s than the 1920s. Some farmers consequently turned to milk production until store cattle and sheep prices improved from 1934.<sup>2</sup>

"Mainly Rearing and Sheep Grazing Farms" were found on more bleak and infertile land than Type D, and often with poor communications to markets. Consequently this type was able to undertake little dairying, cattle feeding, or lamb production, but concentrated instead on rearing livestock, and grazing ewes and older mutton sheep. As with Type D, the typical farm consisted of a homestead and some fields in a valley and its slopes, together with a large area of high ground that was either in single occupancy or grazed in common.<sup>3</sup> These farms were found mostly in Wales, the Lake District, and some Pennine areas, and their incomes showed a similar trend to Type D farms and from fat sheep production. Both these types withstood the depression rather well due to the prevalence of family

1. Ibid. pp.7-8.

2. MAF 38/49, Economic Position of Agriculture, 1935, p.21.

3. Land Utilization Survey, A Farming Type Map, p.8.

farming,<sup>1</sup> and Type E had higher incomes in the 1930s than the 1920s because sheep gave better returns than cattle then.

The intermediate or mixed farm types showed a greater diversity of enterprises than the arable or pasture farms, and carried at least eight separate areas of production. "Mixed Farming with a Substantial Dairying Side" (Type F) was similar to Type B, but the subsidiary enterprises were of much greater importance. There was less grass and more cash and feed crop production, and cropping and buildings were arranged with a view to diversity of output. However, all the enterprises were linked to the dairy herd. This type occurred in the midlands, South Devon, Yorkshire, Cumberland coast, Chilterns, West Sussex, Hampshire, and Newcastle, and was so numerous because it became the principal farming system which the general nature of the prevailing physical and economic conditions in England favoured in the period. It was also favoured by historical influences on farm size, layout, and landlord equipment.<sup>2</sup> It showed similar fluctuations in income to Type B, but the greater number of enterprises reduced their extent, especially when wheat and cattle payments were added. These farms did better than the average of all farms in the country, especially as feeding gave way to more dairying, barley to wheat, fodder to cash roots and beet, and as a poultry section was added. The ordinary English mixed farmer was not slow in responding to the extensive shifts of relative returns from the late 1920s, the most significant development then being the growing importance of dairying at the expense of rearing and feeding.<sup>3</sup>

1. MAF 38/49, Economic Position of Agriculture, 1935, p.21.

2. Land Utilization Survey, A Farming Type Map, p.8.

3. MAF 38/49, Economic Position of Agriculture, 1935, p.20.



"Mixed Farming with a Substantial Rearing or Feeding Side" (Type G), was a small and declining category, for many farms turned to dairying and became Type F farms, or laid down arable to grass and economized on labour to become Type B farms, especially on heavy, stiff, or cold soils.<sup>1</sup> Both rearing and feeding of sheep and cattle were undertaken, and these farms occurred in Herefordshire, the Vale of Eden, and around Bideford.

"General Mixed Farming" (Type H) contained a number of equally important enterprises, although dairying usually made the greatest individual contribution to gross output. These farms were concerned with milk, fat and young cattle, sheep and lamb, pigs, poultry, two or three major cash crops, fodder crops, and permanent grass. They were consequently the most diverse and flexible farm type and benefited most from the full range of government action, which significantly raised cash incomes after the depression to higher levels than in the 1920s.

"Corn Sheep and Dairying" (Type I) was found principally on the extensive area of large farms and fields of the chalk belt of southern-central England. Up to two-thirds of the land might be arable, and dairying could be of predominant importance, often on the out-door or Hosier system.<sup>2</sup> This type experienced a large move from arable to grass, and poultry and pigs became of increasing importance.<sup>3</sup> The Cotswold farms were generally smaller and more mixed, and all areas benefited from subsidies, which maintained incomes in the 1930s above the level of the 1920s.

"Farming Based largely on Wheat and Cattle" (Type J) also experienced a move to grass from the late nineteenth century, principally on arable clay soils, which reduced the arable proportion to 40-60%.<sup>4</sup> The characteristic

1. Ibid. p.26.

2. Mr. A.J. Hosier operated a large scale dairy system, subsequently adopted by about 200 pioneers, whereby cows were milked in the fields by machines housed in moveable huts. This system economized on buildings, labour, 'mucking out', and carting of hay, roots and straw, so ten men instead of thirty could handle 300 cows.

3. Land Utilization Survey, A Farming Type Map, p.9.

4. Ibid..

enterprises were the production of wheat, feed crops, some milk, fat cattle, store cattle, and sheep. The dependence on wheat was fairly considerable because there were few other cash crops suited to the soils. Feed crops supported milk, pigs, and what remained of the former enterprise of winter cattle feeding, which became generally unprofitable in the 1930s.<sup>1</sup> These farms were found principally in Lincolnshire, Huntingdonshire, and Bedfordshire.

Incomes from "Intermediate Mixed Farming Types with Vegetables, Fruit, or Hops" (Type K) varied greatly depending upon the dominant cash crops. There were four major sub-groups. In central Kent, fruit and hop production was merged with dairying, and on parts of the North Downs corn, grass sheep, dairying, fruit, and hops production were all undertaken. East of the Bedfordshire market gardening area vegetable growing increased on land devoted largely to dairying and cattle production. In the west country market garden areas fruit, vegetables, and flower production were increased on former dairy or mixed farming areas, based largely on the demand for 'early' produce, and around Leeds there was an area growing rhubarb.<sup>2</sup> Incomes on these farms fluctuated markedly, but were better in the 1930s as a result of the hops and potato schemes and the stronger demand for fruit and vegetables.

Arable farming types were defined as having more than two-thirds of their land devoted to arable crops. "Mixed Farming Based on Arable Production" (Type L), had its arable area divided fairly evenly between cash and feed crops, usually including wheat, barley, and beet, and up to 30% of the land was under permanent grass. The livestock enterprises included dairying, fat cattle, sheep, lamb, and pigs, in a well-integrated farm structure,<sup>3</sup> but these farms possibly did not return good incomes due to

1. Ibid.

2. Ibid. pp.9-10.

3. Ibid. p.10.

the high cost of labour, especially on heavy land, although substantial support was gained from wheat and cattle payments. These farms occurred principally in the eastern counties, but also in Tweedside, Yorkshire, Derbyshire, Sussex, and Hertfordshire.

"Mainly Corn and Sheep Farming" (Type M) was at a relative disadvantage compared with other systems as result of various developments after the Great War. Generally it was one of the least prosperous sections of agriculture because its crops were labour-intensive and less economic, and it contracted during the period as farmers readjusted their cropping practices where they could. The principal changes were the extension of grassland, wheat, and potatoes, and the introduction of beet and vegetables, which improved financial conditions and formed a different type of farm - Type N. In the less dry and warmer districts of southern England the readjustments were aimed at an increase in pasture and resulted in a transfer to Type I. The original unprofitable system remained on the chalk wolds of East Yorkshire and Lincolnshire, the limestone area around Sherwood Forest, the East Anglian heights, and the North Downs, where the land was too dry for pasture or too shallow, light, or infertile, for wheat, beet, and potatoes.<sup>1</sup> The chief enterprises of this type continued to be sheep, yard-fed cattle, store cattle, barley and barley-based rotations, roots, and temporary grasses. Sheep integrated these operations by consuming roots and temporary grasses, and manuring and treading the soil.<sup>2</sup> Incomes were similar to, but lower than those from Type L.

Type N, "Corn and Sheep Farming Supplemented by Cash Crops," was the major farm type modified from Type M. The addition largely of beet, but also wheat, potatoes, and vegetables, provided a higher level of incomes for farms around Yorkshire, East Suffolk, Norfolk, North Lincolnshire, and on the South Cambridgeshire chalk.<sup>3</sup>

1. Ibid.

2. Ibid.; MAF 38/49, Economic Position of Agriculture 1935, pp.21-3; MAF 38/52, Economic Position of Agriculture, pp.44-5.

3. Land Utilization Survey, A Farming Type Map, p.11.

"Mainly Cash Crop Farming" (Type O) included wheat, potatoes, sugar beet, fruit, and vegetables, according to the locality. Almost all the land was remarkably fertile, and farming was highly intensive, with stock kept principally to provide manure. The farms occurred in the fens (growing beet, wheat, and potatoes), the Lancashire plain (potatoes and brassica crops), South Yorkshire (wheat, potatoes, and beet), and Kent (orchard and small fruit, hops, and vegetables).<sup>1</sup>

A number of other groups of farms supplemented these major categories. "Small Poultry Farms" gave high returns per acre, even after the fall in receipts in 1931/2. "Market Gardening Farms" (Type P) grew primarily vegetables and small fruit on small or even bare-land holdings. "Other Arable Farming Types" (Type Q) were similar to Type J but had a higher proportion of arable land, with wheat often accounting for one-third of the acreage. This type also included the North Cheshire arable dairying area, which concentrated on milk, potatoes, and wheat.<sup>2</sup> "Arable Farming with Livestock Feeding" (Type R), was confined to Scotland. When it was combined with sales of cash crops such as grain, potatoes, and beet, it approximated Type L, or if special crops such as fruit were sold, then Type C, or with market gardening, Type P.<sup>3</sup> "Livestock Rearing with Arable" (Type S) resembled Type G if it included much permanent grass. The final category, peculiar to Scotland, was crofting, which was found principally in the north, the west coast, and the islands.<sup>4</sup>

Actual farm incomes from Scottish farms are depicted in Graph F.IIIb, and show incomes as higher after the Slump than in 1928/9 or 1930/1. "North-Eastern Cattle and Sheep" farms, and "Cattle Rearing and Feeding" farms show

1. Ibid..

2. Ibid. pp.11-12.

3. Land Utilization Survey of Great Britain, Map of Predominant Farming Types in Scotland, (1941), p.18.

4. Ibid. pp.19-20.

a relationship with Type D, while the "North-Eastern Dairy" farms were similar to Type A. "Border Lowland Sheep Rearing and Feeding" farms, and "South Western Hill Sheep" farms, relate well to Type E, while the "Border Sheep Rearing" farms show similarities with Types M and N.

Generally in the inter-war years the pasture farms and family farms of the north and west tended to fare better than the larger, more arable holdings of the south and east. Pasture farms showed declining incomes from 1922/3 to 1927/8 if they were mostly concerned with cattle and milk, or to 1926/7 if concerned with sheep.<sup>1</sup> Milk production produced a rise in incomes in 1925/6 on Types A,B,F,H, and I. Mixed farms showed a slightly reduced fall due to the slower rate of decline in incomes from wheat and oats, and rising incomes from pigs and beet, and showed a peak in 1924/5 where wheat, barley, oats, potatoes, and sheep were important, and in 1925/6 where milk and pig production were more dominant. Arable farm types also showed a fall which was steeper due to the reduced variety of enterprises, with intermediate peaks attributable to the above products. On balance, the combination of pasture, mixed, and arable farms relates well to the national pattern of falling farm incomes during 1922/3 to 1927/8, with a rise in 1925/6<sup>2</sup>. Nearly all farm types then exhibited a rise until 1929/30 in the case of arable and mixed systems, or 1930/1 on pasture farms, followed by a steep fall during the depression. This was accounted for initially by sharply falling profits on wheat, barley, oats, and beet, and then as agricultural depression began to effect livestock produce, by a slump in incomes from milk, cattle, sheep, pigs, and poultry, which made 1931/2 the worst year for domestic farming. After this, incomes on all farms, excepting poultry, rose until 1933/4 or 1934/5 to levels equivalent

1. This correlates well with the relevant trends in stock numbers and average incomes, Graph F.IV.

2. Graphs F.II and F.IIIc.

to or just above cash incomes before the Slump, again suggesting that a general recovery was achieved by 1934. From 1935/6 incomes tended to fall slightly on nearly all farm types, and especially severely at the end of the period on farms selling barley, sheep, potatoes, beet, and oats. However, all farmers registered gains after the outbreak of war in 1939. The extrapolated farm and commodity income figures, and the actual farm accounts, support the view that there was substantial recovery from the depression and that unsubsidized incomes were at least as high in the 1930s as the 1920s.

### Farming Efficiency and Incomes

Whilst farm incomes were only slightly higher before the Second World War than before the Great War the physical efficiency of UK agriculture showed a pronounced upward movement.<sup>1</sup> Returns on capital and from physical inputs did not usually move in the same direction in the fluctuations of the inter-war years.

The physical performance of agriculture declined during the Great War compared with 1911-13, although its economic position was greatly improved.<sup>2</sup> The volume of output was maintained until 1915 but then fell until 1919 and per-acre output regained pre-War levels only in 1921. This was largely due to shortages of feed and fertilizer, the reduction in the numbers of store stock after the heavy slaughterings of 1917, the extension of cultivation to pasture and less suitable land, and the inability of the increase use of machinery to compensate for shortages of skilled labour. However,

1. "Physical efficiency" describes the volume of output sold off farms in relation to the amount of inputs of feed, fertilizer, manual labour, fixed investment, and repairs, measured in terms of volume and not money cost.

2. Tables F.V and F.VI. Unless otherwise stated all references to farming performance in this section refer to figures in these tables.

under conditions of rising prices, rising industrial wages, and reduced supplies of domestic and imported foods, farmers enjoyed a rise in returns on annual capital investment which reached a peak for the whole period in 1918. Farm wages and rents were almost stationary, and their total cost rose less than the general price level. Consequently, although physical efficiency was in decline to 1918, farm incomes rose because of favourable price movements.

The continuity of the UK figures is confused in 1923 by the loss of the smaller pasture holdings of the Irish Free State, but from the end of the War there was an upward movement in the measures of farm efficiency. The volume of output sold per acre rose steadily after the War until 1930. After a fall in 1931, subsidies and protection prompted a further rise to one and a half times 1911-13 levels in 1933-9. Similarly the volume of output per hired man-week also advanced steadily to almost double 1911-13 levels by 1939. Yet while changing agricultural systems and the use of more machinery allowed greater output and higher returns per £100 of labour expenditure, despite the continued migration of farm workers and higher rural wages, returns per £100 of physical inputs or from total annual expenditure did not register any significant improvement. The gains in economic performance in the 1930s did not so much reflect improvements in the business of farming as savings on costs brought about by the removal of £4m. of rates in 1923 and 1929, and perhaps another £4m. from lower interest rates after 1933. Without these benefits there was little advance on 1911-13 rates of profit on annual expenditure or on farm capital, until government subsidies were added to gross receipts. Even without subsidies, receipts registered the effects of import protection after 1931.

While real agricultural prices were rising until 1920, and more expensive inputs were in short supply, British farming's physical and financial performance was improved. When the real level of agricultural prices fell in 1920 to 1930, the cost of rent, labour, machinery, investment, repairs, feed, and transport moved adversely in relation to

retail prices, and hence more adversely in relation to agricultural prices. This cancelled gains from rising physical productive efficiency. While physical efficiency continued to improve in the 1930s, little increase in returns on capital or annual investment was achieved without government support. Government aid brought the confidence to raise the level of working inputs, which brought a higher output and income per acre.

Farming systems were in a continual state of change and modification in the inter-war years in a search for greater productive and economic efficiency. Initially farmers were concerned with returning their holdings to normal peacetime methods after the enforced practices and changes in the War, and then sought to embark upon the production of more profitable commodities. In the early 1920s farmers were attempting to recover from the collapse of prices and confidence following the removal of guarantees in 1921. Farming systems were still out of their usual rotations, there were severe foot and mouth outbreaks in 1922 and 1923-4, and farmers were unprepared for the harsh economic climate. It took four or five years to restore a rotation, and seven years to return land ploughed in the War to good pasture. Thus farmers might have felt that their holdings were back to normal by 1926 or 1927, after which incomes and efficiency rose slightly.

While most prices fell in the 1920s, some production expenses remained relatively stable, forcing economies in other areas. Rents were a higher proportion of costs and the Agricultural Wages (Regulation) Act, combined with falling receipts, left labourers with 50% of the total factor income of agriculture in 1923-7.<sup>1</sup> Higher wages made labour intensive arable, root, and fodder crops less remunerative.

Because farmers relied heavily on credit to finance their business, the high interest rates placed a further strain on reduced resources. Consequently recent owner-occupiers had every incentive to pay off mortgages as quickly as possible. In addition the low returns from farming meant that the original purchase price would not be recovered if farmers were forced to sell up. Even so, with most farm income in excess of household expenses

1. Table F.VII.



being used for repayments, it is possible that in 1926-9 and in 1931 many farmers were unable to pay off the whole of the interest on the outstanding debt. This was probably the case for 1924-33 on farms of below average size, unless the occupier lived off capital by reducing expenditure on repairs and investment or by selling part of the farm.

Farmers appear to have been forced to spend less on feed, repairs, and investment until 1928, and on fertilizer until 1930, and many observers complained that farm land and buildings appeared neglected and out of condition in the late 1920s. The worst year was 1927 when incomes from milk, fat cattle, sheep, pork, bacon, eggs, poultry, potatoes, wheat, and beet dropped sharply.<sup>1</sup> These trends were reversed in 1928-30 as farm incomes improved before the depression. Farmers were realizing that the carefully restored pre-War systems and methods needed adapting towards more profitable commodities to cater more for the requirements of the market.

The principal changes embarked upon by farmers were moves from cheaper 'energy giving' staple foods to higher quality nutritive and health protective output, and a move away from expensive labour-intensive fodder roots towards more purchased feed and cash crop production.<sup>2</sup> Partly this was a continuation of trends that began in agricultural depression in the late nineteenth-century under similar patterns of cheap grain imports and rising living standards. These factors were more pronounced in the inter-war years, with more cheap grain imports and a higher level of real incomes which allowed greater purchases of dairy produce, higher quality meats, eggs, fresh fruit, and vegetables. As a result of these factors, the arable acreage declined in favour of livestock production.<sup>3</sup> Wheat, barley and oats

1. Graph F.IVa.

2. Tables F.II. F.V and F.VI.

3. Tables F.III, F.IV, and Graph F.IV.

acreages fell as incomes from their production declined in the 1920s. The reduction in wheat and barley was less severe once sugar beet was grown on a significant acreage, replacing the root break and raising incomes from arable rotations. Mangolds, swedes, peas, beans, and turnips were replaced by cash crops such as beet, vegetables, and potatoes, which also provided tops and leaves to supplement purchased feed. Potato production fluctuated but there was a slight downward trend. As milk profits improved in the late 1920s many beef producers turned to dairy production. Fat sheep production rose so long as consumers could absorb output at remunerative prices, while the pig cycle remained evident in bacon and pork production. Poultry output, which became concentrated on eggs, exhibited a dramatic increase in output offered the highest returns per acre of any farm type. The acreage of fruit and vegetables for human consumption was rising in the 1920s, although it is not easy to distinguish between beans, peas, turnips, and swedes grown for animals or for humans.<sup>1</sup> The volume of feed purchased per cwt. of dressed carcass weight of all livestock doubled from 1911-13 to 1939, but rose most noticeably from the late 1920s. Purchased feed supplemented permanent grass, which replaced rotation grasses and roots on those systems which became more extensive, and supplemented rotation grasses, and beet and vegetable tops and leaves, on more intensive systems. Farmers also used more contract services, which were cheaper and often more efficient than farm labour.

The agricultural depression of 1931-3 initially reduced incomes from cereals, and by turning producers towards livestock and other cash crops it encouraged production changes. Domestic overproduction then caused subsequent falls in milk, cattle, and sheep prices. Initially the depression was most severe in the arable south and east, and then spread to the midlands and smaller pasture farms of the north and west.<sup>2</sup> As incomes from

1. Table F.III; Graph F.IV; Agricultural Statistics.

2. Graph F.IIIa.

wheat slumped in 1930/1 and 1931/2 the acreage fell to its lowest level in the period. Increasing quantities of cheap, bounty-fed and 'dumped' imported wheat was replacing domestic production during 1927-31, and British farmers were not aided by low yields from the wet years of 1930/1 to 1932/3, and barley and oats acreages remained low compared with subsidized wheat production.<sup>1</sup> Incomes from sugar beet fell sharply in 1931/2 despite government intervention and an adjustment in factory prices. Potato growers, however, had their highest incomes in the period 1931/2 because output was very low and consumer demand for staple foods was maintained in the depression.<sup>2</sup> Dairy farmers' incomes were reduced by the overproduction of liquid milk in relation to consumer purchasing power in 1931/2 and 1932/3, and competition from cheaper and more consistent quality imported milk products manufactured from overseas surplus milk and exported to clear the market.<sup>3</sup> Similarly, beef producers' incomes were reduced by domestic meat overproduction from 1932 while consumption was low until 1934, and by Argentine chilled beef perhaps becoming substitutable for low grade domestic beef during the depression. The high domestic sheep meat output also reduced incomes from fat cattle during 1931/2 to 1932/3, especially winter stall-fed cattle. Fresh domestic lamb and mutton were the highest quality luxury meats, and demand for them was restricted in the depression, and New Zealand lamb may have been more substitutable then. Pigmeat continued to face competition from Danish imports of consistent good quality, established reputation, and competitive price. Eggs and poultry meat production continued to rise because they afforded a high income per acre,

1. Graph F.IV.

2. Ibid..

3. Ibid., and Graph F.III.

despite a sharp reduction in 1931-3. Cereal growers were beset by bad weather in 1931-2, and livestock farmers were affected by the closure of many cattle markets in southern England owing to renewed foot and mouth outbreaks in 1932.

Once prices began to rise with recovery from the depression, higher quality, naturally protected, and nutritional produce was better able to return higher incomes, especially if it was aided by subsidies, domestic reorganization, and import protection. The Wheat Act restored wheat incomes, the acreage expanded, and off-farm sales rose from 65% of output in 1925-31 to 89% in 1932-9. Consequently more purchased feed was required to replace the grain now sold. Barley and oats prices showed little improvement and payments introduced in 1937 were made again in 1938. The barley acreage was stationary while the oats acreage continued to fall. Barley growers did better in the face of increasing imports than oats growers who faced reduced competition. The acreage and production controls of the Potato Marketing Scheme and Hops Marketing Scheme allowed higher incomes after 1933/4 and the continued fixing of factory beet prices allowed an acceptable level of incomes until the end of the decade. The cattle subsidies maintained incomes on beef production that would otherwise have experienced a severe decline, and fat sheep production became profitable again as sheep numbers declined. When mutton and lamb output rose in 1937/8 and producers' incomes accordingly fell, the government was persuaded that payments were needed for fat sheep. The milk marketing schemes, supported by payments and import controls on milk products, were able to stabilize prices and maintain incomes although rising production until 1936 caused some difficulties. However, the Pigs and Bacon Marketing Schemes, by expanding the production of an inferior product for which there was no market seriously depressed farmers' incomes for a longer period than usually exhibited by the pig cycle, while quotas on Danish imports had little effect on home product prices. Poultry

production remained a relatively attractive enterprise although it was increasingly beset by disease. As well as adjusting farming systems towards areas where demand and prices were highest (milk, lamb, eggs, fruit and vegetables, sugar beet), improvements were effected in the cleanliness of milk, carcass quality, and the provision of smaller joints.

Most of the responses to changing economic conditions were delayed by the complexity of farming systems. Farms, especially larger holdings, were run on a long-term programme dictated by rotations and the time taken to breed or provide for new stock. Combinations of wheat, barley, roots, and hay were grown to provide cash crops and to fatten bullocks or sheep and keep a certain number of cows in milk, which in turn provided dung for fertilizer. Most farmers adhered to a planned programme for several years until a change in economic circumstances was regarded as more than temporary and impelled a permanent change. Rotations and systems, however flexible, then took time to readjust to a new integrated arrangement capable of employing capital, resources, and labour efficiently. Each branch of the farm had to be planned several months to several years ahead. With this limitation to change British farmers showed an effective response to fluctuating fortunes on individual products and to long-term changes in the nature of the supply, demand, and price of produce. The support given to the essential components of arable and livestock systems helped farmers to readjust to changed economic conditions, and resulted in a higher level of expenditure, receipts, and incomes after the Slump.

#### The Question of Support for British Agriculture

Once British Agriculture began to emerge from the depression in 1933, unsubsidized farm incomes were just above 1928-30 levels. This gain is greater if subsidies are taken into account, and thereafter average subsidized farm incomes reached the level of average UK earnings in 1934/9.

Because unsubsidized farm incomes were higher in the 1930s than in the 1920s, did farmers require government support? The Economist was opposed

to subsidies through the 1930s.<sup>1</sup> Unsubsidized incomes, however, also reflected advantages secured from rates relief, quotas, tariffs, and domestic regulation and did not represent incomes before government support. The major payments were for wheat and cattle, and the unsubsidized incomes from these commodities were extremely low. Wheat was an important cash crop and was grown on almost all farms. It was the mainstay of most arable rotations and allowed beet, potatoes, and vegetables to be grown more efficiently. Beef cattle and suitably fattened dairy cows formed major enterprises in arable systems as well as on pasture farms. Higher prices for fat stock permitted a higher demand and price for rearing stock. The wheat and cattle payments thus had an important direct effect on the income of almost all farms and a much wider indirect influence across British agriculture. The confidence and better prices engendered by the formation of an agricultural policy in 1932-4 had a beneficial effect upon levels of working inputs if not fixed investment, and hence on output and incomes. British farm bankruptcies fell from 626 in 1932 to 238 in 1935, and then remained lower than at any time since 1920, well below the 'normal expectation' of 300 per annum.<sup>2</sup>

If farm incomes were higher in the 1930s than the 1920s, why were farmers in the 1930s more vociferous in calling for government support, and more successful in obtaining it? Compared with national average earnings total farm incomes per man-unit rose from 76% in the depression of 1879-96, to 82% in 1897-1910, 80% in 1911-13 and 120% in 1914-20.<sup>3</sup> In the 1920s they varied from 51% to 78%. After the depression unsubsidized incomes did not fall below 82%, and with subsidies reached 111% in 1934.<sup>4</sup>

1. Punch depicted an initial scepticism, which was gradually eroded. See illustrations F.1 and GP.I.

2. Table F.V.

3. Table F.VII.

4. Table F.VI.

These income per man-unit figures represent the trend, but are weighted on an average 64 acre farm, while most farms and incomes were much smaller. Thus the majority of farmers did not feel that they earned incomes anything like the national average in the 1930s. However, in the 1920s farm incomes were even lower, but farmers' complaints are not as noticeable, largely because they did not believe that the government would act, while in the 1930s it had demonstrated its concern during the Slump. Farmers had called unsuccessfully for tariffs in the late nineteenth century depression. Some were bitter after the repeal of price guarantees in 1921, and felt deserted by a government which had promised support for agriculture. These feelings turned to despair of any government offering more than modest aid, especially after the electorate rejected agricultural support and tariffs in 1923. Farmers felt adversely affected by wages regulation, and once the beet subsidy was introduced the government stated that direct payments could not be made available to agriculture. Trade agreements and conventions also provided a barrier to import controls. Farmers were unable to prevent the restoration of live cattle imports or the exclusion of agriculture from the Safeguarding of Industry Acts, and while they gained assistance with rating, tenant rights, tithes, drainage, credit, and marketing reform, they felt they had little hope of direct price support and did not petition the government until wheat prices fell sharply due to 'unfair' import competition in the late 1920s.

However, as the Slump brought sharp falls in the receipts from almost every major agricultural product, as well as ~~adversely affecting~~ <sup>harming</sup> most major sectors of the economy, it required and allowed an official response that was politically unacceptable in the decade of laissez-faire ideals which preceded it. The introduction of duties on horticultural produce in 1931, general import duties, the wheat subsidy, and the Ottawa Agreements in 1932, produced an atmosphere in which farmers felt that they stood a realistic chance of obtaining payments and import restrictions for specific produce. As incomes from various products fell, farmers felt able to call for

government support, and cries of distress or unfair treatment in relation to other industries or agricultural sectors brought further payments, regulation, and protection. Farmers came to see the government as their first form of defence against reduced incomes in the same way that industrial groups petitioned the IDAC. Once support was established, any downturn in incomes prompted calls for an adjustment in the level of aid, to which the government was now committed to respond. Farmers were not prepared to fall back into depression once incomes rose, especially since other sectors of the economy were experiencing rising living standards, partly due to lower food costs. Farmers also knew that their higher cash incomes resulted from the using up of fixed capital through their failure to maintain investment.<sup>1</sup> Farmers' complaints found their final expression in the NFU statements of 1938-9 which essentially proposed a guaranteed price underwriting an agreed level of profitability for agriculture.

For many farmers agriculture remained as much a way of life as a business in the inter-war years, and they remained in agriculture for reasons that were divorced from the fullest utilization of capital and earning power. Small farmers, interested in their independence and unaware of correct accounting methods, compared only their total incomes with other employment opportunities. Larger farmers, however, were aware that they were not getting a full return on their capital and labour, and tended to be most active in agricultural politics and gained most from government support. Total returns on tenants' capital might have been higher than in other areas of the economy, but once the return on farm capital, calculated at the average rate of return on market investment, was deducted from total incomes, the remaining "incentive incomes" per man-unit, or rewards for

1. Table F.VI; Report of the Committee on Land Utilization in Rural Areas, 1942, Cmd.6378, 1942, p.15; MAF 38/49, Economic Position of Agriculture, 1935, pp. 47-8; MAF 38/59, Economic Position of Agriculture, 1938, p.21; Astor and Rowntree, British Agriculture, p.385.



managerial and labouring services (including subsidies), reached a maximum of only 82% of average earnings in 1934.<sup>1</sup> Owner-occupiers had higher total incomes but registered negative incentive incomes in the 1920s, and these reached a maximum of only 60% of average earnings in 1935.<sup>2</sup> Many owner-occupiers who made their purchases in 1918-25 were probably still facing mortgage payments in 1939 and were even worse off. Farmers generally more aware of their fluctuating total incomes than they were of incentive incomes. Owner-occupiers' total incomes were more favourable than average earnings from 1923, while tenant farmers equalled this position only in 1934, 1935, and 1938. Small farmers thinking in terms of total incomes and larger farmers thinking of incentive incomes did not see themselves as earning a return comparable with other areas of the economy. They were therefore prepared to campaign for support whenever there was a reduction in their receipts.

#### British Farmers in the Inter-War Years

After their experiences during the First World War, British farmers entered the inter-war years in an optimistic mood. Many purchased their holdings in the expectation of continued high incomes and a favourable government approach towards agriculture's role in the economy. However, the price fall and repeal of the Agriculture Act reversed this situation.

The 1920s were marked by readjustment to a lower level of arable cultivation than had existed during the War, followed by moves from cereal and root crops to livestock produce, milk, and a wider variety of enterprises, as cheap imported staple foods made the production of grain at home much less profitable. Farm incomes were generally lower than average national earnings in the 1920s, but the government was not prepared to offer a policy of direct support until the situation became very much worse in the Slump. Thereafter, once support was forthcoming, farmers were able to maintain a fairly successful campaign for further aid and increases in the level of assistance, which helped to raise the national farm income

1. Table F.VI.

2. Ibid..

higher than it had been throughout the 1920s. However, the pattern was not evenly distributed across all farm types, and when receipts from a particular commodity were reduced, calls for support were forthcoming from those sectors most concerned with that product. By the end of the period, as a result of economic forces, agricultural changes, and political pressures, the 'average' British farmer was able to earn a total income almost equivalent to average national earnings, although incentive incomes were still much lower. This was a position that was almost comparable with that just prior to the First World War, although in the 1930s it was achieved partly through farmers living off the capital assets of their holdings. British farming in the inter-war years did not offer opportunities for the employment of capital and entrepreneurial skills that were comparable with other business enterprises.

Table F. Ia

Numbers Engaged in Agricultural Occupations  
in Great Britain, 1911, 1921, and 1931.

OCCUPATION.	1911.		1921		1931	
	ENGLAND AND WALES.	SCOTLAND.	ENGLAND AND WALES.	SCOTLAND.	ENGLAND AND WALES	SCOTLAND
Land and Estate Agents and Managers.	-	-	1 831	834	2 301	635
Farmers and Graziers.	228 728	32 605	244 653	53 905	230 879	34 012
Farmers' and Graziers' Sons and Daughters assisting on the farm.	154 545	17 176	80 257	4 760	72 593	11 487
Crofters.	-	18 073	-	17 514	-	12 034
Crofters' Sons and Daughters assisting on the Croft.	-	10 125	-	3 727	-	2 527
Market Gardeners, Nurserymen etc..	29 906	1 879	192 560	16 324	216 569	22 355
Do. and Labourers.	114 390	9 140	-	-	-	-
Agricultural, Forestry Pupils not at Colleges.	-	-	6 382	1 087	1 697	413
Farm Bailiffs, Grievors and Foremen.	22 166	7 269	22 462	5 240	16 588	4 897
Foresters and Woodsmen.	12 303	3 636	10 525	4 142	12 401	4 360
Agricultural Machine Tractor Proprietors, Attendants, Drivers etc..	7 346	322	11 078	553	8 172	521
Shepherds.	20 844	9 052	11 240	7 458	10 298	3 059
Agricultural Labourers and Farm Servants:-						
Employed in tending cattle.	74 028	19 213	59 382	15 872	62 342	16 035
Employed in charge of horses.	128 122	35 560	113 616	37 429	69 754	22 465
Labourers not otherwise distinguished.	433 343	31 045	376 331	36 581	334 590	34 810
Gardeners' Labourers.	-	-	28 156	3 991	50 090	4 294
Estate Labourers.	-	-	3 550	2 441	5 081	2 426
Pea and Fruit Pickers	-	-	1 327	153	40	71
Drainage Superintendants, Foremen.	-	-	-	29	-	-
Drainage Labourers.	-	-	-	346	-	-
Labourers in Woods and Forests.	-	-	-	276	-	-
Other Agricultural Occupations.	9 447	2 922	7 948	1 637	23 178	3 007
<b>TOTAL</b>	<b>1 235 237</b>	<b>198 017</b>	<b>1 171 298</b>	<b>194 301</b>	<b>1 116 573</b>	<b>130 711</b>

1. Occupational Census of England and Wales, and Scotland, 1911, 1921, and 1931.

Table F. Ib

Engines on Farms in England and Wales<sup>1</sup>.

YEAR	ENGINES, FIXED AND PORTABLE							MOTOR TRACTORS	
	STEAM	GAS	OIL, PETROL	ELECTRIC	WIND	WATER	OTHER	FIELD	STATIONARY
1908	8 690	921	6 911	146	-	-	663	-	-
1913	7 719	1 237	16 284	262	3 663		28	-	-
1925	3 731	1 125	56 744	700	990	3 543	21	14 565	2 116
1931	2 246	645	65 725	2 475	1 079	3 210	76	16 188	2 466

1. Carslaw, R. McG. and Culpin, C., Op. Cit., JRASE, 1936, p. 14.

Table F.IIa

Number of Holdings in the Undermentioned Classes  
in England and Wales on 4 June, 1911-13 to 1939.<sup>1</sup>

YEAR	ABOVE 1 AND NOT EXCEEDING 5 ACRES.	ABOVE 5 AND NOT EXCEEDING 15 ACRES.	ABOVE 15 AND NOT EXCEEDING 20 ACRES.	ABOVE 20 AND NOT EXCEEDING 30 ACRES.	ABOVE 30 AND NOT EXCEEDING 50 ACRES.	ABOVE 50 AND NOT EXCEEDING 100 ACRES.	ABOVE 100 AND NOT EXCEEDING 150 ACRES.	ABOVE 150 AND NOT EXCEEDING 300 ACRES.	ABOVE 300 AND NOT EXCEEDING 500 ACRES.	ABOVE 500 AND NOT EXCEEDING 1000 ACRES.	ABOVE 1000 ACRES.	TOTAL	AVERAGE SIZE OF HOLDING
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	ACRES.
1911-13	42 416	128 462		71 613		128 462			14 610			435 623	62.4
1914	41 570	121 678		78 454		59 514	31 860	37 615	14 413			435 124	62.3
1915	40 643	120 616		78 430		57 657	32 045	37 635	14 327			433 353	62.4
1916	27 502	118 064		78 587		60 121	32 409	37 610	14 132			428 425	63.2
1917	84 264	116 004		78 232		60 665	32 621	37 778	14 098			423 718	63.9
1918	83 392	114 004		77 878		60 572	32 453	37 641	14 126			420 126	64.2
1919	81 193	113 414		77 961		60 509	32 358	37 358	13 875			416 668	64.2
1920	80 737	114 517		79 542		60 697	32 298	36 708	13 492			417 991	63.4
1921	81 217	116 157		80 967		61 009	32 020	35 822	12 947			420 133	62.2
1922	79 364	114 001		80 165		60 676	31 874	35 712	12 923			414 715	62.8
1923	77 674	113 049		79 865		60 796	31 844	35 565	12 880			411 673	63.0
1924	76 859	111 934		79 537		60 781	31 930	35 481	12 861			409 283	63.2
1925	75 283	110 385		77 119		60 931	31 875	35 411	12 704			405 708	63.5
1926	74 184	108 814		78 827		61 063	31 796	35 373	12 580			402 638	63.8
1927	74 331	107 843		78 654		61 317	31 946	35 121	12 522			401 734	63.7
1928	74 456	107 126		78 546		61 398	31 865	35 121	12 383			400 875	63.6
1929	74 185	105 950		78 195		61 699	31 895	35 052	12 271			399 247	63.7
1930	72 984	103 975		77 970		61 703	31 998	34 957	12 236			395 823	64.1
1931	71 204	102 339		77 374		61 951	32 002	34 925	12 146			391 941	64.5
1932	70 674	101 446		77 222		62 248	32 055	34 772	12 052			390 469	64.6
1933	67 864	100 591		76 901		62 330	32 183	34 644	11 870			388 433	64.7
1934	68 544	98 836		76 029		62 371	32 125	34 478	8 920	2 652	317	384 272	65.1
1935	67 223	96 822		75 062		62 310	31 967	34 356	8 930	2 688	309	377 727	65.7
1936	65 150	94 534		74 181		62 122	31 934	34 348	8 884	2 697	308	374 158	66.5
1937	63 842	92 707		73 477		61 933	31 901	34 288	8 880	2 681	317	370 108	67.0
1938	62 424	90 990		72 446		61 685	31 773	34 307	8 812	2 681	374	365 772	67.5
1939	61 384	67 043	20 043	28 867	43 082	61 348	31 804	34 228	8 825	2 701	332	361 663	68.1

1. Agricultural Statistics.

Table F.III

Numbers of Horses for Agricultural Purposes, and Acreages of  
 Fodder Crops, Grass, and Agricultural Land in Great Britain,  
 1911-13 to 1939.<sup>1</sup>

	HORSES FOR AGRICULTURAL PURPOSES	BEANS AND PEAS	TURNIPS AND SWEDES	MANGOLDS	TOTAL CROPS	BARE FALLOW	CLOVER AND ROTATION GRASSES	TOTAL ARABLE	PERMANENT GRASS	TOTAL CROPS AND GRASS.
Year	No.	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.
1911-13	1 415 334	459 016	1 520 486	454 034	7 038 261	335 429	4 026 907	14 556 092	14 449 901	32 005 924
1914	1 296 188	469 671	1 475 702	434 294	6 945 024	347 965	3 863 260	14 293 741	17 606 444	31 900 185
1915	1 212 756	401 943	1 352 851	416 226	7 152 977	316 613	3 826 351	14 255 609	17 578 888	31 834 497
1916	1 292 626	354 971	1 352 479	380 484	6 966 558	430 081	4 070 637	14 354 842	17 474 748	31 849 590
1917	1 323 923	348 122	1 386 679	371 257	7 307 697	361 335	3 987 495	14 606 668	17 251 136	31 857 804
1918	1 336 828	408 477	1 307 507	403 844	8 914 403	413 547	3 449 517	15 852 135	15 896 478	31 748 613
1919	1 338 379	455 129	1 409 849	398 558	8 370 837	657 335	3 661 569	15 717 355	15 782 073	31 499 428
1920	1 312 293	428 916	1 416 663	387 634	7 755 568	573 267	3 886 193	15 399 982	15 846 075	31 246 057
1921	1 337 698	394 520	1 305 777	376 542	7 423 834	513 592	4 025 656	14 967 303	15 906 372	30 873 675
1922	1 308 376	462 691	1 225 240	424 649	7 385 820	411 360	3 813 655	14 648 583	16 102 709	30 751 292
1923	1 252 704	380 680	1 271 657	404 528	6 808 884	442 947	4 105 844	14 479 277	16 388 420	30 867 697
1924	1 189 824	417 087	1 233 157	390 976	6 671 623	362 591	4 062 762	14 201 737	16 340 298	30 592 087
1925	1 130 762	325 841	1 202 401	360 190	6 320 805	472 267	4 076 241	13 911 412	16 549 271	30 460 683
1926	1 084 417	337 175	1 157 777	339 608	6 225 432	423 789	3 987 216	13 742 460	16 626 821	30 369 281
1927	1 045 743	324 411	1 093 007	306 708	5 992 075	429 593	3 957 255	13 478 711	16 792 840	30 271 551
1928	1 014 405	287 476	1 100 266	299 645	5 833 603	473 934	3 943 169	13 242 175	16 928 539	30 170 714
1929	980 287	292 772	1 070 649	300 378	5 816 498	330 878	3 869 214	13 053 236	17 037 431	30 090 657
1930	949 241	313 903	1 044 132	289 467	5 659 947	297 610	3 922 734	12 904 764	17 116 401	30 021 165
1931	926 004	294 260	982 283	271 870	5 304 330	363 686	4 115 644	12 634 358	17 281 162	29 915 520
1932	912 924	283 174	923 981	230 784	5 243 603	440 363	3 929 771	12 412 669	17 415 630	29 828 297
1933	905 108	293 391	906 847	237 468	5 322 863	465 238	3 551 716	12 279 966	17 453 390	29 733 356
1934	860 859	297 937	874 335	248 143	5 449 118	352 688	3 489 532	12 241 205	17 389 729	29 630 934
1935	859 821	290 949	849 813	253 429	5 396 688	301 618	3 754 510	12 380 775	17 174 476	29 555 271
1936	841 495	284 247	795 147	249 217	5 343 971	347 731	3 531 123	12 075 761	17 359 730	29 455 491
1937	842 336	218 851	771 615	210 790	5 109 863	550 372	3 669 241	12 015 828	17 335 659	29 351 487
1938	853 967	272 670	745 720	217 878	5 392 617	370 092	3 360 855	11 861 203	17 407 751	29 270 954
1939	841 792	278 976	705 384	215 100	5 288 967	373 745	3 527 778	11 870 085	17 331 387	29 201 472

1. Agricultural Statistics.

Table F.IV

Total Off-Farm Sales and Farm Household Consumption of UK Agriculture at Farm Gate Prices, 1911-13 to 1939. (£m.).

Commodity	1911-13	1914	1915	1916	1917	1918	1919	1920	1921	1922		1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
Wheat	9.4	10.3	17.8	18.5	22.6	28.5	27.3	24.1	28.4	15.9		12.047	12.579	13.148	12.443	11.666	8.719	7.983	5.363	3.248	7.756	14.362	16.336	14.564	11.035	12.161	17.628	
Barley	9.8	11.3	15.0	16.6	16.7	13.7	13.6	28.4	12.9	8.9		7.920	11.011	9.858	7.643	8.290	8.687	8.965	4.939	4.342	3.945	3.863	4.816	4.118	4.526	5.278	5.846	
Oats	4.353	4.6	7.8	9.6	17.0	22.9	24.0	21.7	26.4	9.6		8.437	8.937	9.460	8.815	8.029	9.837	9.035	5.746	4.289	5.035	3.367	3.396	3.452	2.981	3.473	3.236	
Mixed Corn	0.381	0.424	0.656	0.724	0.912	1.055	1.051	1.202	0.745	0.557		0.871	0.928	0.928	0.910	0.885	0.924	0.887	0.574	0.427	0.515	0.549	0.591	0.537	0.510	0.700	0.640	
Rye	0.100	0.148	0.203	0.291	0.353	0.321	0.413	0.487	0.285	0.218		0.093	0.129	0.116	0.101	0.115	0.108	0.090	0.040	0.040	0.036	0.042	0.043	0.026	0.028	0.036	0.028	
Straw	14.448	10.595	13.071	22.538	24.079	26.199	32.170	40.454	17.723	14.832		2.543	2.645	2.588	2.885	2.756	2.549	2.868	2.885	2.294	1.941	1.701	1.644	1.528	1.436	1.673	1.740	
Hay												9.772	7.996	7.243	7.642	8.718	7.641	7.461	8.938	6.205	4.013	3.073	3.555	3.741	2.701	2.691	1.513	
Potatoes	14.234	14.189	17.227	21.068	27.468	32.263	42.162	46.222	36.228	33.573		14.465	23.103	17.827	12.168	12.693	15.139	10.047	8.203	14.090	17.562	8.867	10.204	11.253	14.001	15.338	12.070	
Sugar Beet	0.031	0.017	0.027	"	"	"	"	0.077	0.174	0.095		0.287	0.480	1.176	3.323	4.165	3.561	5.301	7.625	3.529	4.761	6.526	8.321	6.595	6.837	5.359	5.047	
Hops	2.673	1.285	0.928	1.391	1.712	2.145	3.449	4.925	4.026	3.166		2.977	3.851	3.064	3.173	2.661	2.307	1.259	0.945	0.892	1.555	3.103	2.195	2.085	2.114	1.982	2.175	
Fruit	4.342	4.306	4.383	6.263	8.643	20.154	13.433	35.375	32.590	25.374		4.758	4.899	7.242	4.630	5.895	5.398	6.697	6.369	3.963	5.179	5.576	6.467	5.416	5.444	5.217	4.254	
Vegetables	6.373	6.741	8.280	10.496	16.328	20.695	21.529					18.885	21.650	20.847	20.703	20.452	24.950	23.392	23.971	26.303	25.830	29.265	27.337	27.617	31.357	28.013	28.015	
Total Crops	66.115	63.905	85.403	108.071	135.775	167.932	179.107	202.942	159.471	112.212		83.117	98.268	93.577	84.436	86.325	89.820	83.987	75.800	69.624	78.128	80.294	84.915	80.932	82.970	81.921	82.251	
Beef												49.616	50.067	50.664	45.907	43.838	48.776	47.449	46.268	39.449	34.719	31.762	35.360	37.662	37.347	42.482	41.819	
Deer												2.444	2.354	2.344	2.431	2.596	2.704	2.641	2.520	2.168	1.906	1.910	2.124	2.195	2.158	2.340	2.387	
Mutton												7.054	7.445	7.575	6.565	6.210	7.078	6.212	5.222	4.608	3.920	4.226	3.749	3.012	2.748	3.268	2.733	
Lamb												16.607	17.672	17.724	17.345	18.770	20.971	20.288	18.957	17.538	15.627	16.678	17.642	16.967	17.051	19.103	16.421	
Bacon Pigs												5.841	5.708	7.629	7.599	7.363	8.812	9.920	9.507	7.346	6.891	7.894	9.207	11.212	14.585	14.327	14.979	
Pork Pigs												23.846	21.726	23.037	26.969	18.949	17.886	18.329	16.209	13.909	12.525	13.967	15.711	14.043	13.201	15.063	13.922	
Poultry Meat												6.018	6.711	6.825	6.929	6.812	7.480	7.809	7.912	7.857	7.227	7.657	7.983	8.285	7.782	7.901	7.967	
Milk												81.576	76.610	78.857	81.967	76.985	77.592	79.813	77.475	68.726	71.257	69.880	74.193	71.282	72.317	77.617	82.265	
Wool												6.178	9.120	7.092	6.460	7.695	9.755	7.016	4.329	2.934	2.741	3.963	4.485	4.199	4.568	7.307	4.010	
Eggs												18.970	20.525	22.116	21.499	22.893	25.102	28.136	26.350	24.797	28.260	30.998	31.185	33.637	36.127	38.840	40.357	
Total Livestock	171.441	181.339	217.303	264.335	308.365	326.918	390.548	456.417	381.275	300.816		218.200	218.034	223.885	217.671	212.161	225.776	227.613	214.739	189.332	185.123	188.925	201.642	202.496	209.984	228.248	226.910	
Total	237.556	245.244	302.706	372.406	444.160	494.850	569.655	659.359	540.746	413.028		301.317	316.302	317.462	302.107	298.486	315.596	311.600	276.539	258.956	263.251	269.219	286.557	283.428	292.954	310.167	309.161	332.674
REAL OUTPUT.	100.0	102.1	100.3	97.9	93.0	89.8	92.9	107.6	103.9	102.9		80.8	82.7	84.0	84.2	87.2	90.4	91.1	92.6	90.0	93.8	101.0	104.4	100.7	102.7	98.9	98.3	109.2

\* Inclusive of direct subsidies.  
 † Produce deriving benefit from indirect subsidies.  
 ‡ Produce protected by import quotas.  
 †† Produce protected by tariffs.  
 ††† Produce deriving price support from the regulation of domestic production.

1866-1966; Annual Abstract of Statistics; Agricultural Output of England and Wales, 1925 and 1930-1, Cmd. 2815, 1927 and Cmd. 4605, 1934-5; Agricultural Output of Scotland, 1925 and 1930-1, Cmd. 3191, 1928-9 and Cmd. 4496, 1934-5; Prest, A.R., Consumers' Expenditure in the UK, 1900-1919, (Cambridge, 1954); Stone, R., The Measurement of Consumers' Expenditure and Behaviour in the U.K., 1920-38, (Cambridge, 1954); Ojala, E.M., Agriculture and Economic Progress, (London, 1952); C.H. Feinstein's papers for National Income, Expenditure and Output of the UK, 1855-1964, (Cambridge, 1972).

Calculated from Agricultural Statistics; Agricultural Statistics (Scotland); Agricultural Statistics (Ireland); Agricultural Statistics (N. Ireland); Agricultural Statistics,

Table F.V

Incomes, Receipts, and Expenditure in United Kingdom Agriculture, 1911-13 to 1939. (£m.).

YEAR.	TOTAL RECEIPT.		LANDLORDS.					LABOURERS.		FARMERS.																									
	TOTAL OFF-FARM SALES, SELF-SUPPLY, AND GOVT. SUBSIDY.	SUBSIDIES ON PRODUCE	GROSS RENTS OF LAND AND BUILDINGS	LAND TAX.	RATES PAID BY LANDLORDS IN SCOTLAND	INVESTMENT IN LAND, BUILDINGS AND FARMS.	NET RENT.	RETURN ON VALUE OF LAND AND ANNUAL INVESTMENT (PER-CENT.)	WAGES.	AVERAGE ANNUAL INCOME (£.)	ALLOWANCE FOR THE RETAIL VALUE OF SELF SUPPLY.	PURCH-ASED FEED.	FERTILISER PURCH-ASES.	PURCH-ASED SEED.	IMPORT-ED STOCK.	MACHINE PURCHASES, REPAIRS, FUEL, AND CONTRACT SERVICES.	MISCELL-ANEOUS PURCH-ASES.	COST OF TRANSPORT OF STOCK AND PRODUCE.	INVESTMENT IN LAND, BUILDINGS, AND REPAIRS.	INTEREST ON SHORT-TERM BORROW-ING.	FARM RATES.	FARM TITHES.	FARM LAND TAXES.	LAND PURCH-ASES AND SALES.	LONG-TERM MORTGAGE DEBT, CAPITAL REPAYMENTS AND INTEREST.	TOTAL FARMERS' EXPEND-ITURE. (COLUMNS 25, 26-28)	TOTAL FARM PROFITS. (COLUMNS 27, 28)	TOTAL FARM INCOMES INCLUDING PAYMENTS FOR LAND FROM SAVINGS. 28	TOTAL FARM INCOMES ASSESSABLE FOR LAND TAXES. 29	INCOMES ON SUMMER-OCCUPIED FARMS BEFORE DEDUCTING LAND RE-PAYMENTS. 30	INCOME ON 64-ACRE TENANT FARMS. (£.)	SUBSIDY EARNINGS (£.)	INCOME ON 64-ACRE TENANT FARMS AS A PER-CENTAGE OF INDUSTRIAL EARNINGS. 33	FARM BANK DEBITURES IN ENGLAND AND WALES. (No.)	FARM BANK DEBITURES IN SCOTLAND. (No.)
1911-13	237.6	0.0	67.4	0.7	0.4	22.3	24.0	..	58.1	14.5	44.4	7.1	3.8	1.0	8.2	2.6	9.3	4.5	3.5	3.4	3.0	0.1	0.7	1.2	198.3	53.8	54.3	53.4	79.7	73.2	73.2	100.0	322	-	
1914	245.2	0.0	47.8	0.6	0.4	21.9	24.9	..	62.0	13.6	41.8	6.6	3.8	0.5	10.0	2.6	9.6	7.0	3.5	3.6	3.1	0.1	1.2	2.1	205.3	53.5	54.5	54.3	81.8	74.5	75.2	99.1	189	-	
1915	302.7	0.0	47.9	0.6	0.4	22.2	24.7	..	65.0	18.1	57.5	8.2	4.7	0.0	13.5	3.3	10.4	10.3	6.8	3.7	3.2	0.1	2.2	2.8	232.6	81.2	82.9	85.5	92.4	117.5	87.2	134.7	132	-	
1916	372.4	0.0	48.1	0.6	0.4	22.5	24.6	..	64.0	20.5	68.5	9.7	5.9	0.0	17.8	4.0	9.9	17.2	4.5	3.8	3.4	0.1	..	7.1	264.0	128.9	123.9	133.5	160.5	133.5	97.1	135.2	78	-	
1917	444.2	0.0	47.8	0.6	0.4	22.6	24.2	..	78.0	27.4	85.3	11.6	7.3	0.0	23.4	5.2	9.5	23.3	4.9	3.9	3.6	0.1	..	8.3	312.7	158.9	158.9	164.9	191.4	228.4	126.6	130.4	65	-	
1918	494.9	0.0	48.3	0.6	0.5	22.8	24.4	1.92	87.0	69.5	30.1	17.4	8.5	0.0	27.0	5.9	9.6	31.6	4.4	4.1	3.8	0.1	3.9	8.8	337.1	188.5	191.2	198.5	225.6	275.3	157.2	175.1	30	-	
1919	519.7	0.0	47.6	0.6	0.6	22.6	23.8	1.89	122.0	86.1	27.3	19.6	2.5	0.0	31.6	6.1	11.2	44.3	9.4	4.9	3.8	0.1	8.7	8.3	423.6	173.4	180.5	187.2	187.0	259.3	179.5	144.5	33	-	
1920	652.4	0.0	45.1	0.6	0.8	20.6	23.1	1.65	150.0	101.6	34.5	10.7	0.0	0.0	36.4	7.1	13.4	60.6	12.3	7.1	3.8	0.1	23.1	4.6	511.7	182.2	200.2	206.0	233.1	286.9	207.1	138.5	44	-	
1921	540.8	19.7	50.8	0.5	1.0	25.3	24.0	2.30	151.4	106.7	39.1	14.3	8.1	2.8	33.8	6.2	20.1	35.5	9.2	9.0	3.8	0.1	27.5	7.1	453.2	(126.7)	150.6	(155.8)	136.1	191.1	193.7	98.7	285	-	
1922	413.0	0.0	49.7	0.5	0.9	24.2	24.1	2.18	104.3	76.4	32.6	11.8	6.2	1.6	25.3	5.0	16.7	22.7	5.5	8.2	3.8	0.1	-22.0	10.2	310.3	135.3	135.3	112.5	147.5	166.8	155.7	107.1	403	-	
1923	301.3	0.0	33.8	0.4	0.5	16.8	16.1	2.31	64.4	68.7	13.8	55.7	13.3	5.6	14.0	18.9	3.4	12.6	19.0	5.2	5.6	0.2	23.0	5.3	283.6	31.5	53.3	52.3	75.9	101.1	144.2	70.1	482	-	
1924	316.3	0.0	33.2	0.5	0.4	16.4	15.9	2.29	66.5	69.4	17.1	75.9	12.2	5.6	22.0	17.5	3.4	11.2	18.4	6.5	4.2	0.2	3.0	6.7	290.1	43.3	46.3	45.2	68.9	87.5	145.6	60.1	360	-	
1925	317.5	0.0	32.1	0.5	0.4	15.8	15.4	2.28	71.2	75.4	15.6	69.0	11.2	5.6	17.6	17.9	3.4	11.5	19.7	6.9	3.9	0.2	2.3	7.7	283.8	49.3	51.5	51.0	74.7	99.1	146.5	67.6	368	-	
1926	302.1	0.0	32.0	0.4	0.4	16.5	14.7	2.33	73.9	77.1	13.0	54.1	10.7	5.3	17.0	17.7	3.4	12.5	18.2	6.9	4.0	0.2	..	6.9	266.3	48.8	48.8	47.7	70.3	93.0	145.0	64.1	342	-	
1927	298.5	0.0	31.5	0.4	0.4	16.7	14.0	2.33	73.9	77.1	11.9	66.9	9.7	5.0	15.5	17.0	3.2	12.7	16.2	7.1	4.1	0.2	..	4.1	270.6	39.8	39.8	36.3	57.8	71.0	146.1	42.6	478	-	
1928	315.6	0.0	30.7	0.4	0.4	16.7	13.2	2.21	73.3	77.3	14.8	70.6	8.7	5.2	16.0	17.1	3.2	12.4	18.1	6.7	4.1	0.2	..	8.2	278.0	52.4	52.4	53.5	74.6	105.0	144.9	72.5	462	-	
1929	311.6	0.0	30.7	0.4	0.3	17.1	12.9	2.76	72.8	71.3	12.6	70.1	8.2	5.0	16.4	17.0	3.2	12.2	17.6	7.3	2.2	0.2	..	6.1	272.4	51.8	51.8	51.3	66.3	100.8	145.2	69.4	345	19	
1930	290.5	0.0	30.5	0.4	0.0	17.6	12.5	2.55	62.7	77.8	10.9	51.0	7.8	4.9	18.5	16.1	3.0	13.2	16.8	4.7	0.0	3.3	0.2	..	8.3	248.0	53.4	53.4	53.0	74.1	102.4	144.9	74.8	350	18
1931	259.0	0.0	30.1	0.4	0.0	17.7	12.0	2.32	67.1	77.7	10.7	48.7	7.8	4.4	16.2	15.4	2.7	12.5	16.4	5.4	0.0	3.2	0.2	..	2.8	232.9	36.8	36.8	33.2	51.5	65.6	142.8	45.9	497	19
1932	263.3	3.0	29.3	0.4	0.0	17.2	11.7	2.34	64.4	76.9	11.5	56.2	8.3	4.3	10.8	14.9	2.6	12.4	15.6	4.2	0.0	3.2	0.2	..	5.2	231.6	40.2	40.2	39.2	57.0	77.5	140.5	55.2	600	26
1933	269.2	6.3	28.2	0.4	0.0	16.4	11.4	2.10	67.4	75.3	9.8	51.6	8.8	4.0	7.1	13.5	2.5	12.5	14.9	2.8	0.0	3.2	0.2	..	9.9	229.6	50.1	50.1	54.0	71.3	107.4	76.9	428	28	
1934	286.6	9.5	27.2	0.4	0.0	15.4	11.4	1.94	62.9	75.2	10.7	59.1	9.4	4.1	5.3	15.1	2.5	13.0	14.4	2.9	0.0	3.2	0.2	..	14.4	237.7	54.1	54.1	62.4	80.0	124.4	88.2	288	9	
1935	283.4	11.1	26.8	0.4	0.0	14.7	11.7	2.18	64.4	76.7	10.3	58.0	9.9	4.2	5.6	15.4	2.6	13.0	14.4	2.9	0.0	3.1	0.2	..	11.7	232.2	50.4	50.4	55.7	63.8	111.3	77.8	224	14	
1936	293.0	8.1	27.1	0.3	0.0	14.5	12.3	2.08	64.4	79.9	11.4	65.5	9.9	4.4	7.2	16.7	2.7	12.8	14.7	3.1	0.0	2.9	0.2	..	9.2	240.8	55.5	55.5	52.1	66.9	116.5	80.0	215	16	
1937	310.2	6.7	27.5	0.4	0.0	13.9	13.2	2.24	65.0	81.8	14.6	85.7	9.4	4.8	7.1	18.8	2.7	12.6	15.1	3.6	0.0	2.7	0.2	..	7.8	262.7	55.4	55.4	56.0	76.4	112.6	75.8	258	-	
1938	302.2	12.6	27.5	0.4	0.0	13.1	14.0	2.36	66.0	87.8	12.5	73.3	9.8	4.5	9.2	13.9	2.8	12.6	15.0	3.2	0.0	2.6	0.2	..	9.8	249.4	59.7	59.7	61.7	83.6	126.1	81.3	252	-	
1939	332.7	5.3	27.8	0.4	0.0	13.1	14.3	2.58	71.2	88.7	8.2	67.5	11.3	5.0	11.0	20.2	3.2	12.9	15.4	3.5	0.0	2.5	0.2	..	8.4	259.4	76.2	76.2	76.8	92.9	155.2	100.3	201	-	

Southern Ireland is excluded after 1922. Figures in brackets are inclusive of subsidies.

The most comprehensive data available for U.K. farm incomes, receipts and expenditure in the inter-war years are given in Bellerby, J.R., 'Agricultural Incomes', JRSS, 1955. This might be extended using his earlier work 'The Distribution of Farm Incomes in the U.K., 1867-1938', Journal of the Proceedings of the Agricultural Economics Society, 1953, and figures in Ojala, E.M., Agriculture and Economic Progress, (London, 1952).

Whilst most farmers would have equated their incomes with their total annual profit, earnings should be calculated with respect to 'incentive incomes'. Incentive income is the income remaining after an allowance for the market rate of return on the value of farm capital is deducted from the total profit, and it consequently represents the reward for the farmer's managerial and manual services. Bellerby's figures however give incentive incomes per man-unit as almost equal to or higher than average earnings from 1933, and thus show total incomes as even more favourable in comparison with average earnings. Since these figures were calculated per man-unit assuming that all eligible members of the farm family were employed on the holding, then they probably assume too high a division of the income. In addition, when Bellerby's figures are presented as a per-cent of farm capital, his data shows returns in excess of 12% for each year 1923-38, and 16% in 1931 and 13% in 1932. Farming thus appears as a highly profitable enterprise even in the worst years of the slump. Bellerby also deducted only eight categories of expenditure from the total receipt figure, including a miscellaneous category averaging £35m. or 15% of costs. A slightly more detailed picture was calculated by Feinstein in his papers for National Income, Expenditure, and Output of the U.K., 1855-1964, (Cambridge, 1972), but this was largely derived from Bellerby's work and also assumed the U.K. to have been comprised solely of tenant farms. Consequently, in order to obtain a more accurate and detailed presentation of farm receipts and expenditure, and hence to derive a statistical analysis of the economic and physical performance of agriculture, it was decided to re-calculate the data for 1911-13 to 1939. The tables were derived as given below:-

Column 1.-Derived from the total of receipts from sales payments, and farm household consumption in Table FIV. These figures correspond with official estimates available from 1937-8 in Annual Abstract of Statistics and Agricultural Statistics, 1866-1966, but are higher than Bellerby's prior to these years.

Column 2.-Derived from Finance Accounts of the U.K., and Ministry of Agriculture Economic Series No. 45, Report of the Wheat Commission, 1938, adjusted to calendar years from financial years.

Columns 3&7.-Gross and net rents were derived from Bellerby, J.R. 'Gross and Net Farm Rent in the U.K., 1867-1936', Journal of Agricultural Economics, 1954, p.358. These figures were adjusted to allow for changes in the owner-occupied acreage using data in Agricultural Statistics, Agricultural Statistics for Scotland, Sturmev, S.G., 'Owner Farming in England and Wales, 1900-1950', Manchester School, 1955, pp. 245-68, and commentary in Thompson, F.M.L., English Landed Society in the Nineteenth Century, pp. 327-37.

Columns 4&23.-Derived from the Land Tax Receipts in



Reports of H.M.'s. Commissioners for the Inland Revenue, adjusted for changes in owner-occupancy.

Columns 5 & 21.- Calculated from Venn, J.A., The Foundation of Agricultural Economics, (Cambridge, 1933), pp. 196-197; Agricultural Rates Acts 1896, 1923 and 1929; Agricultural Rates (Additional Grant) Continuance Act, 1925; Local Government Act, 1929; Local Government (Scotland) Act, 1929; and Schedule A Income Tax Assessment on Land given in Rhee, H.A., The Rent of Agricultural Land in England and Wales, 1870-1939, (Oxford, 1946).

Column 6.- Remainder from gross rents after deducting land tax, rates and net rent.

Column 8.- Calculated from net rents as a per-cent of annual investment and the value of land as derived from Britton, D.K., 'The Sale Value of Farm Land Between the Wars', Farm Economist, 1949, p. 128.

Column 9.- Figures for 1911-13 to 1922 derived from Feinstein's papers for National Income, Expenditure, and Output..., and for 1923 to 1939 Bellerby's data in 'Agricultural Incomes', p. 342 was raised to conform to the official estimates.

Column 10.- Calculated from Chapman, A.L. and Knight, R., Wages and Salaries in the U.K., 1920-38, (Cambridge, 1953), Tables 1 and 4.

Column 11.- Calculated using Prest, A.R., Consumers' Expenditure in the U.K., 1900-1919, (Cambridge, 1954), and Stone, R., The Measurement of Consumers' Expenditure and Behaviour in the U.K., 1920-38, Vol. I, (Cambridge, 1954), to derive farm gate and retail prices for the quantity of self-supply.

Columns 12, 13, & 14.- Derived from Feinstein's papers, Ojala, and Bellerby, adjusted to correspond to the official estimates. Fertiliser subsidies from Finance Accounts of the U.K..

Column 15.- Derived from Annual Statements of the Board of Trade.

Column 16.- Calculated from the official estimates; Feinstein, C.H., Domestic Capital Formation in the U.K., 1920-38, (Cambridge, 1965), pp. 70-1; Kirk, J.H., 'The Output of British Agriculture During the War', Journal of the Proceedings of the Agricultural Economics Society, 1946, p. 37; constructed for purchases, repairs, fuel, and contract services also using indices for plant and machinery, fuel and light, and retail prices, in Feinstein, National Income, ..., pp. T 134 and T 137.

Column 17.- Miscellaneous retail purchases derived from extrapolation of the amounts remaining in the miscellaneous categories in Kirk, Ojala, Bellerby, and the official estimates, after making the relevant appropriate deductions for transport costs, interest on debts, statutory charges, etc..

Column 18.- Calculated from Munby, D.L. and Watson, A.H., Inland Transport Statistics, Great Britain, 1900-1970, (Oxford, 1978), pp. 83, 85-6, 88, 93, 98, 188-200, to determine freight costs for all produce and stock sold off farms, assuming that alternative methods of transport were of comparable cost for travel to market.

Column 19.- Calculated assuming that rising real incomes allowed the real level of expenditure to be maintained until 1920. For 1928 to 1939, total expenditure was calculated

using a comparison of actual farm expenditure from Scottish Department of Agriculture, The Profitableness of Scottish Farming Reports, 1928-39, and Oxford Agricultural Economics Research Institute, Farm Management Survey Scheme: Economic and Financial Study of Farming in England and Wales, 1937-40, with total expenditure and gross rents. Owner-occupiers were assumed to invest a similar amount per acre as tenants and landlords together. The 1921-27 figures were extrapolated from the 1920 and 1928 figures with reference to the residue of farm incomes after deducting the cost of household expenses.

Column 20.- Calculated assuming that loans were required for half the cost of feed, fertiliser, seeds, rearing stock, imported stock, transport, and miscellaneous purchases, with interest charged at 1% above the market rate of discount. Allowance was made for the balance of the annual income and for interest-free loans from the late payment of rents.

Column 22.- Calculated from Bellerby, J.R. and Taylor, F.D.W., 'Aggregate Tithe Rentcharge on Farm Land in the U.K., 1867-1938'. Journal of Agricultural Economics, 1955, p. 201.

Columns 24 & 25.- The number, average size, and value of holdings purchased for owner-occupancy, and of failures of purchase which returned to landlords in 1922, were calculated from the sources stated for column 3. The Report of the Committee on Agricultural Credit, Cmd. 1810, 1923, stated that approximately £60m. were outstanding on land purchases at the end of 1922, and Economic Series No. 8, Report on Agricultural Credit, suggests that this was about £64.5m. at the end of 1926. Consequently pairs of equations were produced, each set assuming a different number of years of savings before purchase, to determine the proportion of farm incomes after the deduction of household expenses, used for savings and to repay mortgages, until a common feasible answer was derived for both equations. Allowance was made for the different sizes of the average farm purchases in each year. One equation covered savings, purchases and repayments for 1918-22 to leave an outstanding debt of £60m., the other covered the years 1918-26 with an outstanding debt of £64.5m.. The best results assumed that on average four year's savings were required for purchase, providing 25-30% of the purchase price, probably the minimum down-payment required in order to obtain a mortgage. Repayments were possibly made at the high rate of 95% of the farm income after basic requirements were deducted. Even at this level of repayments, most farms purchased in 1923 and 1924 were unable to cover the interest charge during 1924-32, let alone pay off the capital. Given the high interest rates and low incomes in the 1920's, and the fact that a foreclosure would not realise anything like the purchase price because of the general price fall and the depressed situation of agriculture, it would appear reasonable to accept that farmers were forced to suffer this high rate of repayment. This explains why the new owner-occupiers were considered to be heavily burdened by their mortgages in the 1920's and in the slump until interest rates fell in 1933 and farm incomes were improved. Even so, few farms were probably completely paid off by 1939, the higher incomes of the second world war making final purchase realisable.

Column 26.- Total of columns 3, 9, and 12-25.

Column 27.- Total of columns 1 and 11, minus column 26.

Column 28.- Column 27 less savings for land payments. ✓

Column 29.- Total incomes adjusted to remove the effects of changes caused by land purchase, such that direct comparison might be made with Bellerby, Feinstein, Ojala and the official estimates.

Column 30.- Incomes assuming the U.K. to have been completely owner-occupied with no outstanding mortgages.

Column 31.- Column 29 adjusted from the total U.K. acreage to give the income from 64 acres, the size of an average or 'representative' farm in Great Britain.

Column 32.- Derived from Chapman and Knight, Op. Cit., loc. cit., and Feinstein, National Income, . . ., p. T 140.

Column 33.- From columns 31 and 32.

Column 34.- From Sturmev, S.G., Op. Cit., p. 264, and Jones, W.H., 'Insolvency in Farming', Welsh Journal of Agriculture, 1938, p. 66.

Column 35.- Senior, W.H., 'The Recent Depression in Scottish Agriculture', Journal of the Proceedings of the Agricultural Economics Society, 1938, p. 164.

Table F.VI

## The Economic and Agricultural Performance of UK Farming, Tenant Farms, and Purchased Owner-Occupancies, 1911-13 to 1939.

YEAR	TENANT FARMS								COMPLETELY PURCHASED OWNER OCCUPANCIES								ALL U.K. FARMS												
	FARM CAPITAL ASSUMING ALL FARMS AS TENANT FARMS (£ m.)	PROFIT ON FARM CAPITAL (%)	INTEREST ON FARM CAPITAL, 1% ABOVE YIELD ON CONSOLS (£ m.)	TENANT FARMERS' INCENTIVE INCOMES (TOTAL INCOME LESS 3) (£ m.)	FARMERS AND RELATIVES TOTAL INCOME PER MAN-UNIT. (£.)	FARMERS AND RELATIVES NET INCOME PER MAN-UNIT. (£.)	5 AS PER-CENT OF AVERAGE INDUSTRIAL WAGES. (%)	6 AS PER-CENT OF AVERAGE INDUSTRIAL WAGES. (%)	FARM AND ASSUMED ALL FARMS OWNERS' CAPITAL (£ m.)	PROFIT ON OWNER-OCCUPIERS CAPITAL (%)	INTEREST ON OWNER-OCCUPIERS CAPITAL, 1% ABOVE YIELD ON CONSOLS (£ m.)	OWNER-OCCUPIERS INCENTIVE INCOMES (TOTAL INCOME LESS 11) (£ m.)	FARMERS AND RELATIVES TOTAL INCOME PER MAN-UNIT. (£.)	FARMERS AND RELATIVES NET INCOME PER MAN-UNIT. (£.)	13 AS PER-CENT OF AVERAGE INDUSTRIAL WAGES. (%)	14 AS PER-CENT OF AVERAGE INDUSTRIAL WAGES. (%)	FARMERS AND RELATIVES' MAN-UNITS. ('000)	VOLUME OF OUTPUT PER ACRE, (1911-13 = 100)	TOTAL COST OF PHYSICAL INPUTS (TABLE COLS. 6, 9, & 12-14) (£ m.)	RETURN PER 100 OF PHYSICAL INPUTS (TABLE COLS. 20-22) (%)	TOTAL COST OF NON-REPAIRS EXPENDITURE (£ m.)	RET. PER 100 OF ALL EXPENDITURE (%)	VOLUME OF FEED PURCHASED PER TONNE CARCASS WEIGHT, LITTLE, SHEEP AND (411-13 = 100) (%)	VOLUME OF PASTURE PER ACRE OF TILLAGE, (1911-13 = 100) (%)	VOLUME OF TOTAL INVESTMENT AND REPAIRS PER ACRE. (1911-13 = 100) (%)	VOLUME OF LABOUR USE PER ACRE. (HIRED) (1911-13 = 100) (%)	RETURN PER 100 OF LABOUR EXPENDITURE. (1911-13 = 100) (%)	VOLUME OF OUTPUT PER MAN-WEEK. (1911-13 = 100) (%)	RETURNS AT 18 ABOVE THE YIELD ON CONSOLS. (%)
1911-13	447.3	11.9	19.2	34.2	58.2	37.3	79.5	50.9	-	-	-	-	-	-	-	917.8	100.0	161.3	147.3	37.0	119.8	100.0	100.0	100.0	100.0	409.0	100.0	4.3	
1914	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	102.3	165.8	147.9	39.5	119.4	92.3	95.7	100.0	-	375.5	-	4.3	
1915	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.6	195.1	155.2	44.5	126.3	92.3	101.7	100.0	-	455.7	-	4.8	
1916	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98.2	219.5	169.7	44.5	141.1	79.6	83.0	100.0	-	531.9	-	5.3	
1917	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93.0	266.7	166.6	46.0	142.1	61.5	82.8	100.0	-	569.5	-	5.6	
1918	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90.9	286.5	172.7	50.6	146.8	60.1	107.2	100.0	-	568.9	-	5.4	
1919	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93.9	363.4	156.8	60.2	134.5	80.7	-	100.0	102.6	466.9	91.5	5.6	
1920	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96.6	436.2	151.2	75.5	128.9	93.7	-	100.0	104.7	439.6	92.3	6.3	
1921	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	102.6	371.0	140.5 (145.8)	82.2	115.0 (119.3)	93.9	-	93.6	97.2	344.2 (357.2)	105.6	6.2	
1922	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105.7	279.0	148.0	31.3	133.1	96.4	-	85.0	91.8	396.0	115.1	5.4	
1923	476.0	11.1	25.2	27.1	104.9	54.3	72.7	37.7	1511.0	5.0	80.1	-4.2	152.2	-8.4	105.5	-5.8	498.7	113.9	223.7	134.7	59.9	106.2	151.7	188.9	95.9	87.9	467.9	129.5	5.3
1924	488.0	9.3	26.4	18.8	91.5	38.1	62.9	26.2	1545.0	4.5	83.4	-14.5	139.5	-29.4	95.8	-20.2	493.9	116.2	249.1	126.9	41.0	109.0	153.6	182.2	92.0	90.9	477.4	128.5	5.4
1925	474.0	10.8	25.6	25.4	104.3	51.9	71.2	35.4	1541.0	4.8	81.5	-6.8	152.7	-13.9	104.2	-9.4	487.1	119.2	242.9	130.7	40.9	111.9	143.7	178.0	95.0	87.8	445.9	135.8	5.4
1926	483.0	9.9	27.0	20.7	93.5	42.7	67.9	29.4	1460.0	4.8	81.8	-11.5	145.2	-23.7	100.1	-16.3	484.3	119.8	229.3	131.7	37.0	113.4	136.3	173.2	94.5	89.6	403.8	133.7	5.6
1927	470.0	7.7	26.3	10.0	75.7	20.9	51.9	14.3	1375.0	4.2	77.0	-19.2	123.6	-40.1	82.5	-27.4	479.4	124.8	236.8	126.1	33.8	110.3	147.6	164.9	90.0	89.2	403.9	140.0	5.6
1928	468.0	11.4	25.7	16.5	112.7	55.8	77.8	38.5	1380.0	5.4	75.9	-1.3	159.2	-2.7	108.5	-1.9	476.6	128.5	241.3	130.8	36.7	113.5	142.9	168.4	97.4	90.0	430.6	142.8	5.5
1929	453.0	11.3	25.4	25.9	109.2	55.1	75.2	37.9	1165.0	5.7	65.2	1.1	141.1	2.3	97.2	1.6	469.8	131.0	239.6	130.1	32.8	114.4	161.7	157.6	98.4	88.7	428.0	147.7	5.6
1930	452.0	12.2	24.9	30.1	118.3	64.7	81.6	44.7	1179.0	6.3	64.8	9.3	159.4	20.0	110.0	13.8	464.9	133.3	218.6	132.9	29.4	117.1	172.0	149.9	99.9	84.7	416.8	157.4	5.5
1931	457.0	7.3	24.7	8.5	72.1	18.5	50.5	12.9	1198.0	4.3	64.7	-13.2	111.9	-23.7	78.4	-20.1	460.1	129.9	208.9	123.9	24.0	111.2	181.6	161.2	100.3	81.9	386.0	158.6	5.4
1932	467.0	8.4 (9.0)	21.9	17.3 (20.3)	85.2 (91.7)	37.4 (44.1)	60.5 (65.3)	26.6 (31.4)	1136.0	5.0 (5.3)	3.6 (6.6)	123.9 (130.4)	7.8 (14.3)	88.2 (92.8)	5.5 (10.2)	460.1	135.8	206.7	125.9 (127.4)	24.9	112.4 (113.7)	174.8	186.5	101.7	80.9	404.2 (408.9)	167.9	4.7	
1933	461.0	17.7 (13.1)	20.3	33.7 (40.0)	117.4 (131.1)	72.2 (82.9)	84.0 (93.3)	52.4 (62.2)	1144.0	6.2 (6.8)	21.0 (27.3)	155.0 (162.7)	45.6 (59.3)	111.1 (120.8)	32.6 (41.5)	460.1	146.6	194.7	135.0 (138.3)	27.9	118.1 (120.9)	175.3	199.6	98.9	81.1	414.7 (424.6)	180.8	4.4	
1934	456.0	13.7 (15.8)	18.7	43.7 (53.2)	135.6 (156.3)	95.0 (115.6)	96.1 (110.8)	67.3 (81.9)	1242.0	6.4 (7.2)	29.1 (38.6)	173.9 (194.5)	67.2 (87.9)	123.2 (132.8)	44.8 (59.5)	460.1	151.9	201.2	137.7 (142.4)	32.5	112.6 (122.6)	186.8	216.9	94.4	80.2	440.5 (455.6)	189.4	4.1	
1935	459.0	12.1 (14.6)	17.9	37.3 (47.9)	121.1 (145.2)	82.2 (106.3)	84.6 (101.5)	52.4 (78.3)	1161.0	5.5 (7.3)	18.5 (39.6)	132.7 (154.5)	40.2 (61.1)	96.9 (128.9)	28.1 (60.2)	460.1	146.8	202.2	134.7 (140.2)	30.0	117.5 (122.0)	190.1	231.6	91.3	79.2	422.8 (440.1)	185.4	3.9	
1936	459.0	12.7 (14.6)	17.9	40.2 (48.3)	126.5 (143.9)	87.4 (105.0)	86.7 (98.2)	60.0 (72.1)	1238.0	5.3 (6.8)	17.8 (35.9)	145.4 (184.7)	38.7 (78.0)	99.9 (126.9)	26.6 (53.6)	460.1	150.3	212.8	133.9 (137.7)	28.0	112.5 (121.7)	201.3	233.7	88.9	78.2	442.4 (454.9)	192.2	3.9	
1937	458.0	12.2 (13.7)	19.7	36.3 (43.0)	121.7 (136.3)	78.9 (93.5)	81.9 (91.7)	53.1 (62.9)	1296.0	5.9 (6.4)	20.7 (27.4)	166.1 (182.6)	45.0 (59.6)	111.8 (121.5)	30.3 (40.1)	460.1	145.3	235.1	129.1 (137.9)	27.6	115.5 (118.1)	203.6	214.3	83.2	76.8	466.9 (477.2)	189.2	4.3	
1938	460.0	13.4 (16.2)	20.2	41.5 (51.1)	134.1 (161.5)	90.2 (117.6)	87.6 (105.5)	58.9 (76.8)	1321.0	7.5 (7.9)	25.5 (32.1)	181.7 (209.1)	55.4 (82.8)	112.7 (136.6)	36.2 (54.1)	460.1	144.7	220.2	134.7 (140.4)	29.2	112.9 (123.9)	181.7	223.3	76.2	75.2	449.4 (468.5)	192.4	4.4	
1939	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	460.0	230.1	142.5 (146.6)	29.3	126.2 (128.3)	191.0	255.7	75.6	80.9	459.8 (467.3)	-	4.7	

SOUTHERN IRELAND IS EXCLUDED AFTER 1922. FIGURES IN BRACKETS ARE INCLUSIVE OF SUBSIDIES

Column 1. - Feinstein, C.H., Domestic Capital Formation, pp. 70-1, and Boreham, A.J., 'Farm Occupiers Capital in the U.K. before 1939', Farm Economist, 1953, pp. 262-3.

Columns 2-8. - Columns 2, 9, and 32 from the previous table, and columns 1, 17, and 29 from this table.

Column 10. - Column 30 from the previous table, and column 9.

Columns 11-16. - Previous table, columns 30 and 32, and columns 1, 17, and 29.

Column 17. - Bellerby, J.R., 'Agricultural Incomes', p. 342.

Column 18. - Previous table column 1, the agricultural acreage and price index.

Column 19. - Previous table columns 6, 9, and 12-19.

Column 20. - Previous table column 1, and column 19.

Column 21. - Previous table columns 20-25.

Column 22. - Previous table columns 1 and 26.

Column 23. - Previous table column 12, divided by feed price index, and the total dressed carcass weights for all cattle, sheep and pigs using figures in Agricultural Statistics. Horses on farms were assumed to have consumed mostly oats or other feeds grown on farms, and were hence excluded from this calculation.

Column 24. - Previous table column 13, divided by the fertiliser price index and the acreage of tillage from the Agricultural Statistics.

Column 25. - Previous table columns 6 and 19 divided by the index of Other Construction Work in Feinstein, National Income...., p. T 137, and the total acreage from Agricultural Statistics.

Column 26. - Previous table column 9 divided by the weekly wage index in N.F.U. Year Book.

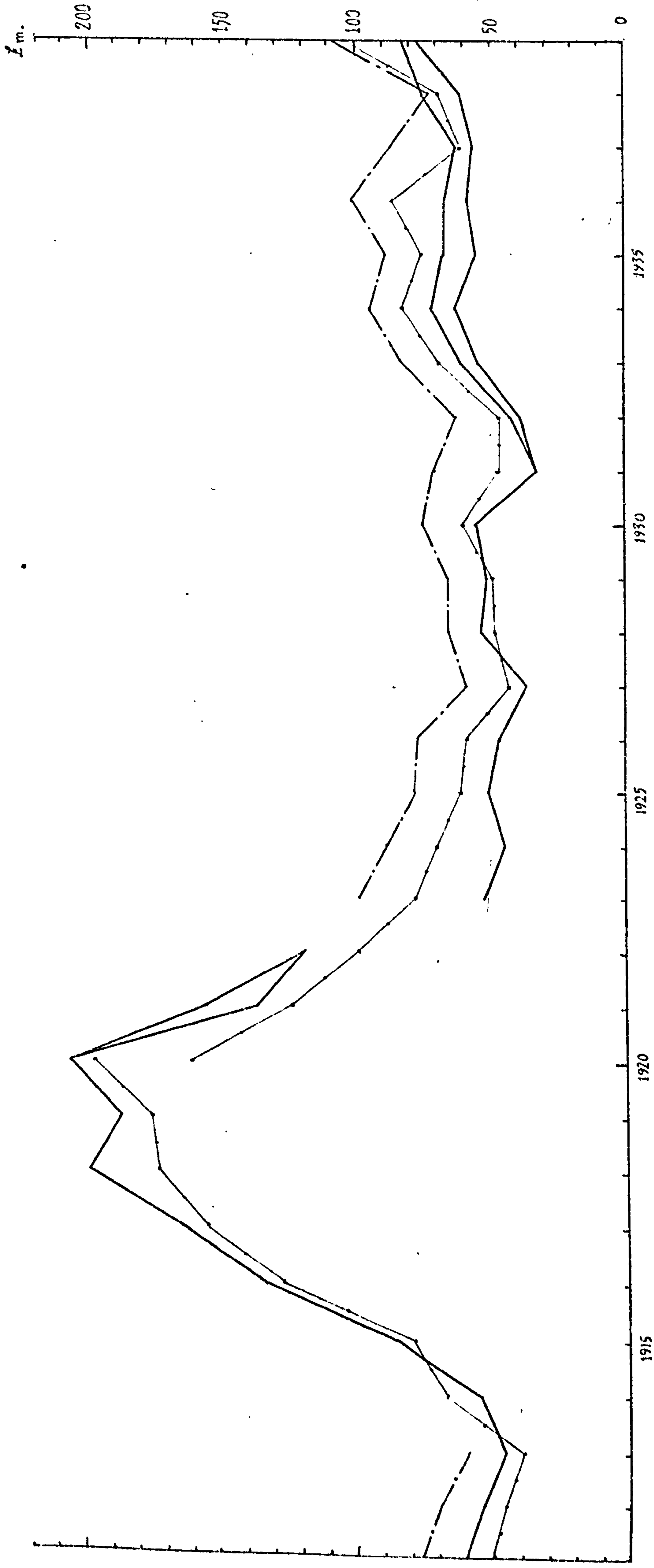
Column 27. - Previous table columns 1 and 9.

Column 28. - Columns 18 and 26.

Column 29. - Mitchell, B.R. and Deane, P., Abstract of British Historical Statistics, (Cambridge, 1962), p. 455.

Graph F.I

Estimates of UK Total Farm Incomes, 1911-39.



— Bellerby. J.R., JRSS, 1955, p. 342.  
— Feinstein, C.H., National Income. Expenditure and Output of the U.K., 1855-1964., (Camb., 1972), p.T60.  
— Estimates from Table F.V., Double line indicates the addition of subsidy payments. For the purpose of comparison all farmers were assumed to have been tenant farmers and paying rents. Feinstein excludes Southern Ireland in 1920 whilst my own figures show this change after 1922.

Table F.VII

The Distribution of UK Agricultural Incomes, 1867-1939<sup>1</sup>

YEARS	TOTAL FARMERS' INCOME OF AGRICULTURE	TOTAL DOMESTIC INCOME	AGRICULTURAL INCOME AS PER CENT OF TOTAL	NET RENT		WAGES		INTEREST ON OCCUPIERS' CAPITAL		FARMERS' AND RELATIVES' INCOME...		TOTAL FARM INCOMES		FARMERS AND RELATIVES INCOME PER FARM-UNIT	AVERAGE U.K. EARNINGS	FARM INCOMES AS PER-CENT OF AVERAGE
	£m.	£m.	%	£m.	%	£m.	%	£m.	%	%	%	£m.	%	£	£	%
1867-73	150.7	941.4	16.0	35.2	23	53.4	35	20.0	13	42.1	28	62.1	68	76.5	51.9	147.3
1874-78	149.0	1062.8	14.0	36.4	24	54.4	37	20.5	14	37.9	25	58.2	39	66.8	58.5	114.2
1879-83	121.9	1068.8	11.4	32.8	27	48.7	40	16.7	14	23.7	19	40.4	33	43.4	55.2	78.6
1884-96	112.3	1223.3	9.2	26.0	23	44.5	40	14.6	13	27.2	24	41.8	37	44.9	59.7	75.2
1897-1910	119.2	1690.2	7.1	23.0	19	43.6	37	14.3	12	33.3	32	52.6	44	56.1	68.6	81.8
1911-13	137.7	2022.7	6.7	26.2	19	58.1	42	-	-	-	-	53.4	39	58.2	73.2	79.5
1914-20	263.6	3336.6	6.8	26.8	10	87.7	34	-	-	-	-	147.1	56	160.3	133.1	120.4
1921-22	295.0	-	-	29.9	10	124.9	43	-	-	-	-	137.2	47	149.5	174.7	85.6
1923-27	139.7	3321.2	3.7	23.2	17	70.0	50	26.1	18	20.4	15	46.5	53	95.0	145.5	65.3
1928-30	145.0	4055.7	3.6	19.8	14	71.9	50	25.5	17	28.0	19	53.3	36	113.4	145.0	78.2
1931-32	128.0	3739.3	3.4	17.3	14	65.0	51	22.3	17	22.9	18	45.2	35	98.3	141.0	69.7
1934-36	150.1	4195.7	3.5	17.9	12	63.9	43	18.2	12	50.1	33	68.3	45	118.5	143.3	103.6
1937-9	161.4	4976.7	3.2	21.0	13	64.4	42	20.5	13	52.5	32	73.0	45	147.2	152.2	96.7

1. This table assumes the UK to have been comprised solely of tenant farms. Calculated from Bellerby, J.R., 'The Distribution of Farm Incomes in the UK, 1867-1939', JPAES, 1953, for 1867-1910; Table F.V for 1911-39; Feinstein, Op.Cit. (1972), pp. T4-6, T140.

Table F.VIII.

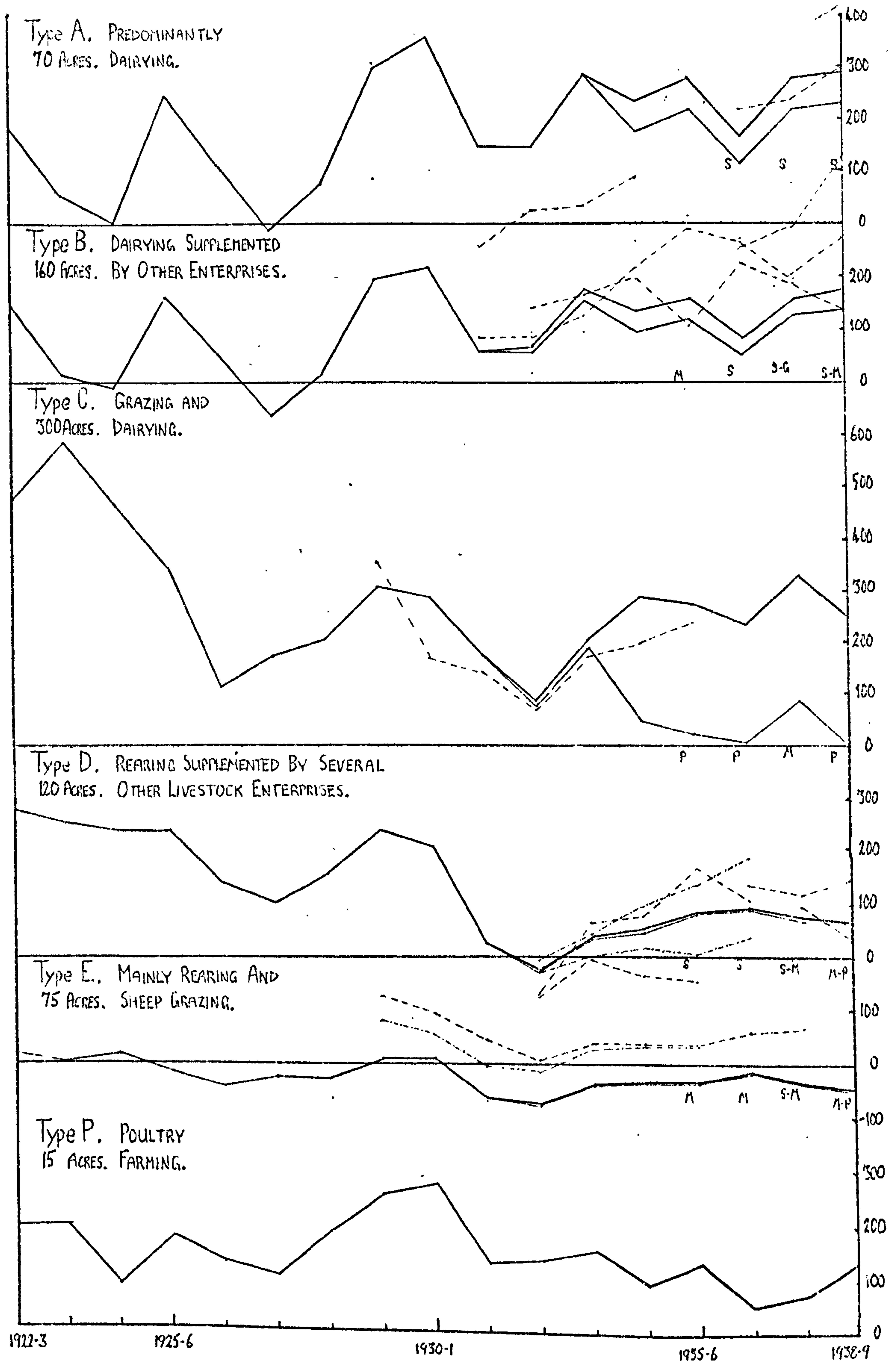
Incomes, Receipts, and Expenditure on Sixteen Farm Types in England and Wales, 1922-3 to 1938-9<sup>1</sup>.

Year	TYPE A. (1) PREDOMINANTLY DAIRYING. 40 acres.		TYPE B. (2) DAIRYING SUPPLEMENTED BY OTHER ENTERPRISES. 50 acres.		TYPE C. (3) GRAZING AND DAIRYING. 300 acres.		TYPE D. (3B) REARING SUPPLEMENTED BY OTHER LIVESTOCK ENTERPRISES. 120 acres.		TYPE E. (4B) MAINLY REARING AND SHEEP GRAZING. 75 acres.		TYPE F. (4) MIXED FARMING WITH SUBSTANTIAL DAIRYING. 120 acres.		TYPE G. (4C) MIXED FARMING WITH SUBSTANTIAL DAIRYING OR FEEDING. 120 acres.		TYPE H. (7B) GENERAL MIXED FARMING. 365 acres.		
	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure	
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	
1922-3	188.15	261.50	144.66	1705.43	475.04	4027.39	3516.35	276.91	1344.44	1027.53	1559.26	1277.39	64.74	4237.03	4172.29	177.29	3693.65
1923-4	53.10	2457.71	12.42	1686.29	581.97	3975.13	3395.16	251.07	1305.51	1054.24	1277.79	1272.72	58.19	4119.15	4065.96	28.75	3503.81
1924-5	0.65	2476.34	-11.77	1735.11	465.35	4020.69	3567.34	234.98	1327.12	1072.14	1330.99	1275.07	294.01	4512.35	4218.37	69.51	3714.17
1925-6	240.87	2503.29	2262.42	1619.08	344.65	3775.22	3448.59	237.95	1265.49	1025.56	1901.14	1195.74	139.16	4447.56	4008.39	174.79	3554.30
1926-7	110.87	2327.15	2218.29	1605.98	111.91	3475.42	3365.51	159.33	1160.90	1021.51	1214.55	1197.86	271.04	3961.95	3744.93	-11.87	3310.79
1927-8	-14.38	2240.84	2305.22	1656.90	170.15	3572.44	3402.48	100.94	1144.80	1045.86	1214.44	1217.58	-97.18	3685.54	3782.72	-178.19	3249.34
1928-9	73.24	2345.12	2269.28	1622.62	202.06	3528.86	3326.81	151.41	1171.37	1019.48	1231.50	1191.99	-64.70	3382.40	3271.60	-120.78	3275.55
1929-30	277.87	2387.47	2082.58	1485.80	301.72	3340.16	3238.44	234.35	1174.97	940.62	1226.77	1100.68	446.98	3556.51	3709.84	151.94	3275.46
1930-1	354.07	2194.87	1850.82	1507.62	205.53	3507.67	3022.14	207.84	1052.19	844.35	1122.15	990.80	98.78	3422.06	3375.28	115.95	1904.35
1931-2	145.72	1931.48	1778.76	1279.15	171.25	2767.47	2776.21	24.67	645.84	871.17	1001.64	964.90	-144.40	3027.59	3171.99	-168.56	2510.18
1932-3	144.60	1827.45	1682.86	1215.23	74.79	2651.83	2577.14	-24.16	761.49	808.67	932.75	921.73	-205.40	2794.55	2738.55	-197.26	2383.55
1933-4	282.64	1940.68	1658.04	1202.01	187.81	2717.35	2594.41	-38.98	615.57	822.79	1000.87	997.38	144.46	2940.80	2884.91	44.46	2559.72
1934-5	115.83	1822.45	1744.68	1174.33	68.18	2647.82	2597.64	44.01	844.61	808.67	914.46	914.46	-34.75	3054.59	2984.59	-70.75	2584.44
1935-6	217.49	1912.39	1718.44	1240.74	217.57	2681.30	2597.64	80.25	878.19	858.67	920.66	920.66	-94.46	3048.67	2973.12	-2.08	2602.45
1936-7	111.11	1972.61	1694.91	1231.01	210.97	2430.39	2639.93	80.25	883.63	797.43	1021.59	927.73	-104.12	3021.24	3123.12	-195.04	2499.56
1937-8	167.33	1674.57	1927.20	1322.34	71.60	2474.02	2377.14	88.70	945.19	876.99	1081.34	1022.10	-119.72	3312.94	3432.65	-50.74	2840.11
1938-9	216.83	2196.49	1974.65	1444.44	86.56	2070.61	2041.07	68.88	922.02	822.17	1165.12	1044.91	-84.24	3381.33	3444.91	-14.62	2915.77
1939-40	230.33	2115.23	1979.65	1444.44	61.33	1919.90	1919.67	61.33	919.90	858.67	1046.71	1046.71	-34.58	3044.52	3044.52	-98.43	2719.64
1940-1	240.62	1715.48	1884.85	1346.32	249.92	2318.87	2207.96	61.46	926.13	858.67	1093.83	1008.32	-51.92	3531.18	3531.18	-181.50	2499.97
1941-2	217.49	1912.39	1718.44	1240.74	217.57	2681.30	2597.64	80.25	878.19	858.67	920.66	920.66	-94.46	3048.67	2973.12	-2.08	2602.45
1942-3	111.11	1972.61	1694.91	1231.01	210.97	2430.39	2639.93	80.25	883.63	797.43	1021.59	927.73	-104.12	3021.24	3123.12	-195.04	2499.56
1943-4	167.33	1674.57	1927.20	1322.34	71.60	2474.02	2377.14	88.70	945.19	876.99	1081.34	1022.10	-119.72	3312.94	3432.65	-50.74	2840.11
1944-5	216.83	2196.49	1974.65	1444.44	86.56	2070.61	2041.07	68.88	922.02	822.17	1165.12	1044.91	-84.24	3381.33	3444.91	-14.62	2915.77
1945-6	230.33	2115.23	1979.65	1444.44	61.33	1919.90	1919.67	61.33	919.90	858.67	1046.71	1046.71	-34.58	3044.52	3044.52	-98.43	2719.64
1946-7	240.62	1715.48	1884.85	1346.32	249.92	2318.87	2207.96	61.46	926.13	858.67	1093.83	1008.32	-51.92	3531.18	3531.18	-181.50	2499.97
1947-8	217.49	1912.39	1718.44	1240.74	217.57	2681.30	2597.64	80.25	878.19	858.67	920.66	920.66	-94.46	3048.67	2973.12	-2.08	2602.45
1948-9	111.11	1972.61	1694.91	1231.01	210.97	2430.39	2639.93	80.25	883.63	797.43	1021.59	927.73	-104.12	3021.24	3123.12	-195.04	2499.56
1949-50	167.33	1674.57	1927.20	1322.34	71.60	2474.02	2377.14	88.70	945.19	876.99	1081.34	1022.10	-119.72	3312.94	3432.65	-50.74	2840.11
1950-1	216.83	2196.49	1974.65	1444.44	86.56	2070.61	2041.07	68.88	922.02	822.17	1165.12	1044.91	-84.24	3381.33	3444.91	-14.62	2915.77
1951-2	230.33	2115.23	1979.65	1444.44	61.33	1919.90	1919.67	61.33	919.90	858.67	1046.71	1046.71	-34.58	3044.52	3044.52	-98.43	2719.64
1952-3	240.62	1715.48	1884.85	1346.32	249.92	2318.87	2207.96	61.46	926.13	858.67	1093.83	1008.32	-51.92	3531.18	3531.18	-181.50	2499.97
1953-4	217.49	1912.39	1718.44	1240.74	217.57	2681.30	2597.64	80.25	878.19	858.67	920.66	920.66	-94.46	3048.67	2973.12	-2.08	2602.45
1954-5	111.11	1972.61	1694.91	1231.01	210.97	2430.39	2639.93	80.25	883.63	797.43	1021.59	927.73	-104.12	3021.24	3123.12	-195.04	2499.56
1955-6	167.33	1674.57	1927.20	1322.34	71.60	2474.02	2377.14	88.70	945.19	876.99	1081.34	1022.10	-119.72	3312.94	3432.65	-50.74	2840.11
1956-7	216.83	2196.49	1974.65	1444.44	86.56	2070.61	2041.07	68.88	922.02	822.17	1165.12	1044.91	-84.24	3381.33	3444.91	-14.62	2915.77
1957-8	230.33	2115.23	1979.65	1444.44	61.33	1919.90	1919.67	61.33	919.90	858.67	1046.71	1046.71	-34.58	3044.52	3044.52	-98.43	2719.64
1958-9	240.62	1715.48	1884.85	1346.32	249.92	2318.87	2207.96	61.46	926.13	858.67	1093.83	1008.32	-51.92	3531.18	3531.18	-181.50	2499.97
1959-60	217.49	1912.39	1718.44	1240.74	217.57	2681.30	2597.64	80.25	878.19	858.67	920.66	920.66	-94.46	3048.67	2973.12	-2.08	2602.45
1960-1	111.11	1972.61	1694.91	1231.01	210.97	2430.39	2639.93	80.25	883.63	797.43	1021.59	927.73	-104.12	3021.24	3123.12	-195.04	2499.56
1961-2	167.33	1674.57	1927.20	1322.34	71.60	2474.02	2377.14	88.70	945.19	876.99	1081.34	1022.10	-119.72	3312.94	3432.65	-50.74	2840.11
1962-3	216.83	2196.49	1974.65	1444.44	86.56	2070.61	2041.07	68.88	922.02	822.17	1165.12	1044.91	-84.24	3381.33	3444.91	-14.62	2915.77
1963-4	230.33	2115.23	1979.65	1444.44	61.33	1919.90	1919.67	61.33	919.90	858.67	1046.71	1046.71	-34.58	3044.52	3044.52	-98.43	2719.64
1964-5	240.62	1715.48	1884.85	1346.32	249.92	2318.87	2207.96	61.46	926.13	858.67	1093.83	1008.32	-51.92	3531.18	3531.18	-181.50	2499.97
1965-6	217.49	1912.39	1718.44	1240.74	217.57	2681.30	2597.64	80.25	878.19	858.67	920.66	920.66	-94.46	3048.67	2973.12	-2.08	2602.45
1966-7	111.11	1972.61	1694.91	1231.01	210.97	2430.39	2639.93	80.25	883.63	797.43	1021.59	927.73	-104.12	3021.24	3123.12	-195.04	2499.56
1967-8	167.33	1674.57	1927.20	1322.34	71.60	2474.02	2377.14	88.70	945.19	876.99	1081.34	1022.10	-119.72	3312.94	3432.65	-50.74	2840.11
1968-9	216.83	2196.49	1974.65	1444.44	86.56	2070.61	2041.07	68.88	922.02	822.17	1165.12	1044.91	-84.24	3381.33	3444.91	-14.62	2915.77
1969-70	230.33	2115.23	1979.65	1444.44	61.33	1919.90	1919.67	61.33	919.90	858.67	1046.71	1046.71	-34.58	3044.52	3044.52	-98.43	2719.64
1970-1	240.62	1715.48	1884.85	1346.32	249.92	2318.87	2207.96	61.46	926.13	858.67	1093.83	1008.32	-51.92	3531.18	3531.18	-181.50	2499.97
1971-2	217.49	1912.39	1718.44	1240.74	217.57	2681.30	2597.64	80.25	878.19	858.67	920.66	920.66	-94.46	3048.67	2973.12	-2.08	2602.45
1972-3	111.11	1972.61	1694.91	1231.01	210.97	2430.39	2639.93	80.25	883.63	797.43	1021.59	927.73	-104.12				

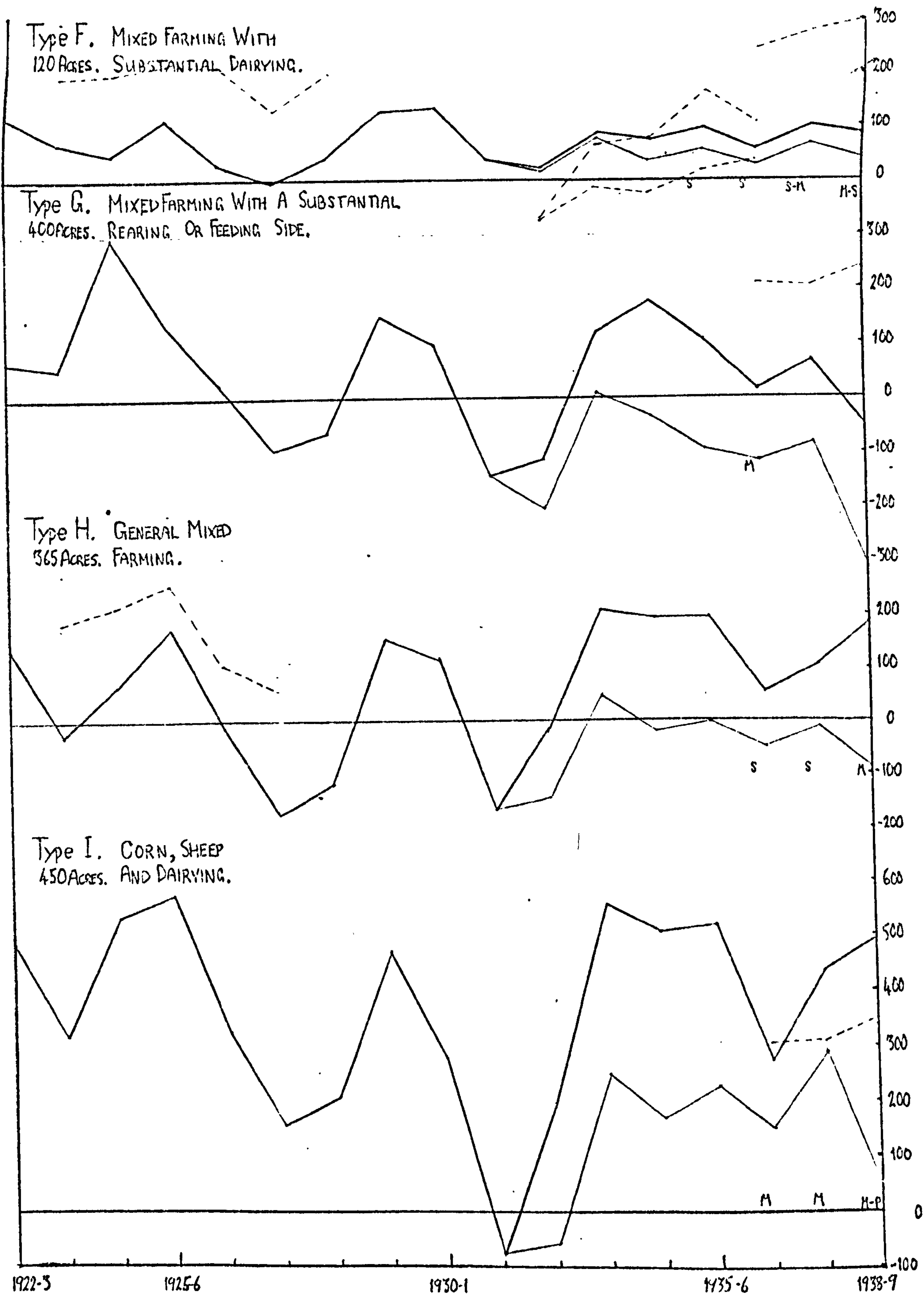


Graph F.IIIa

Income from Various Farm Types in England and Wales, 1922/3 to 1938/9. (£)<sup>1</sup>.

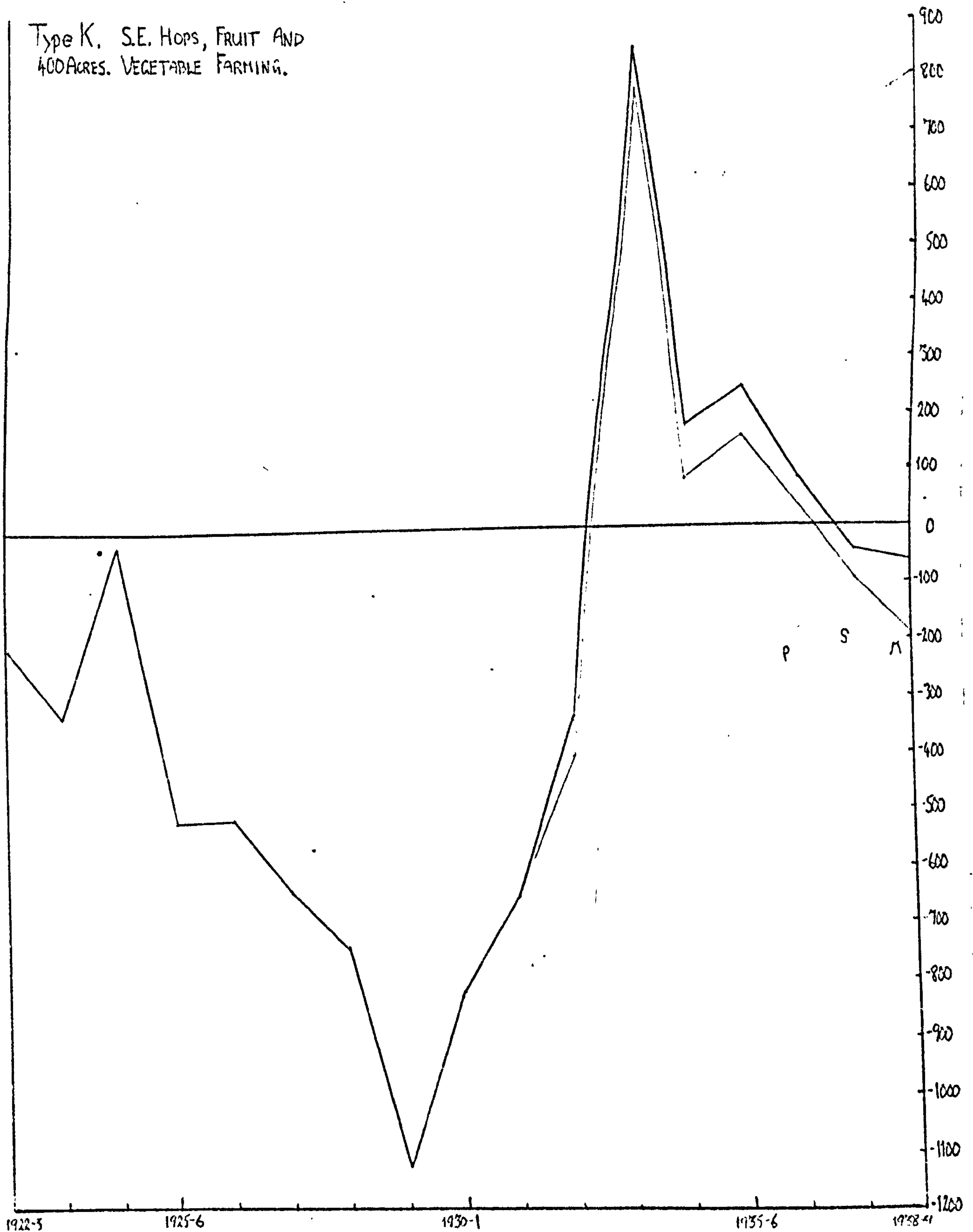


1. Extrapolated incomes for each farm type from Table F.VIII



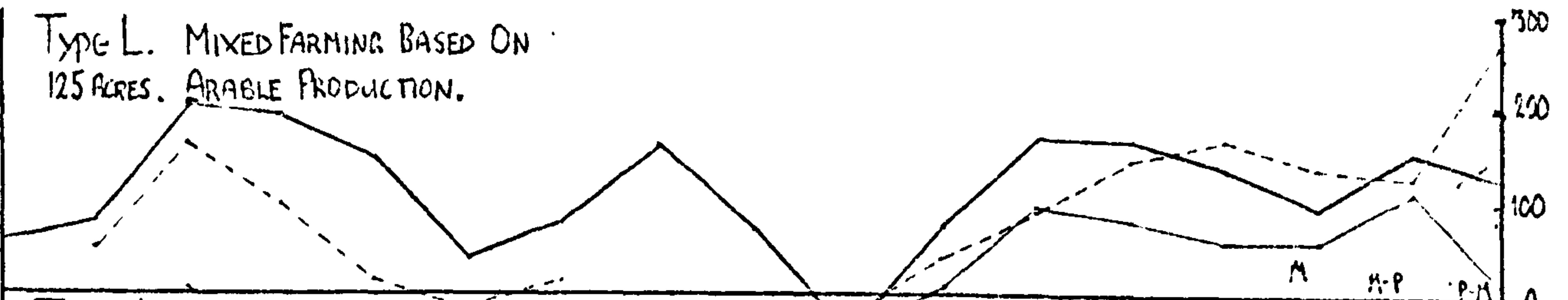
denoted by unbroken lines. Double lines indicate the addition of subsidy payments from 1932/3 and 1934/5. Actual farm income data is represented by broken lines, and does not relate to equivalent acreages. Examples from: Type A- 'Dairy Farming in the Blackmore Vale', Bulletin of the University of Reading Agricultural Economics Dept., XL, and Financial Accounts Studies No's 1, 3, 5&7, PRO MAF 38/63; Type B- 'An Economic Survey of Agriculture in the Eastern Counties', University of Cambridge Farm Economics Branch Reports No's 19, 21, 22-4, 26-7, 'Financial Results on Devon and Cornwall

Type K. S.E. Hops, Fruit AND  
400 ACRES. VEGETABLE FARMING.

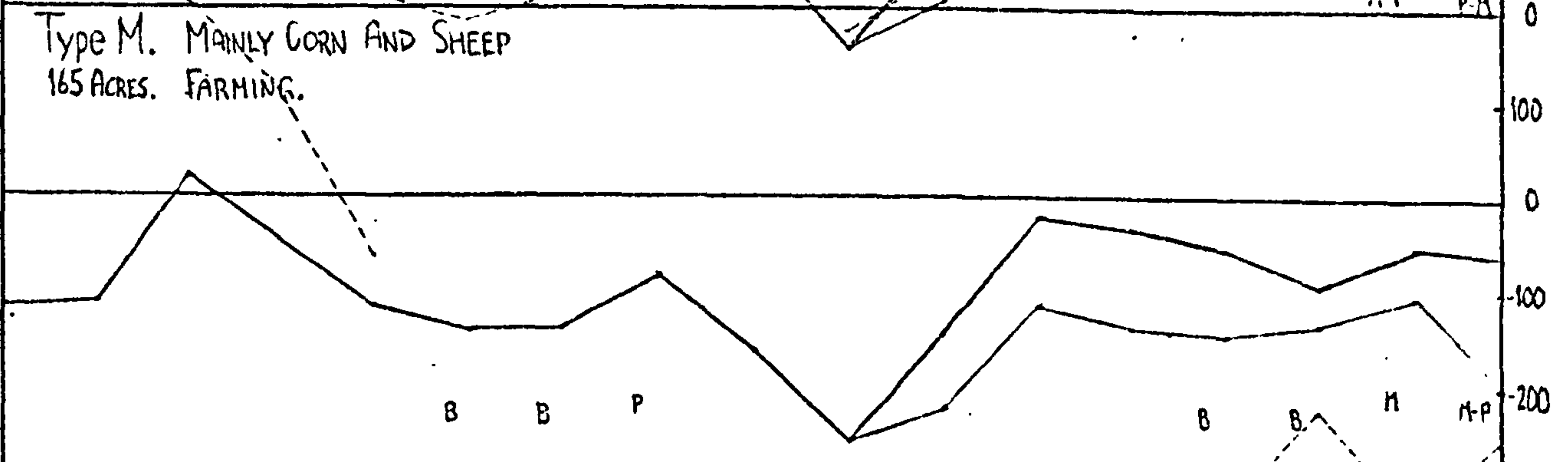


Farms', Seale-Hayne Agricultural College Dept. of Economics Rpts. No's 9, 10, 12, 14, 16-7&20, MAF 38/63; Type C- 'Financial Results of Different Farm Types in Wales', Welsh Journal of Agric., 1936 & 1937; Type D- Seale-Hayne Reports and MAF 38/63; Type E- 'A Hill Farm in Wales', and 'Financial Results...', WJA, 1936, 1937 & 1939; Type F- Seale-Hayne Reports, University of Cambridge Reports No's 1-4, 6, 8, 10, 11, 17, and MAF 38/63; Type G- MAF 38/63; Type H- Cambridge University Reports; Type I- MAF 38/63; Types L, M, N, Cambridge University Reports No's 1-4, 6, 8, 10, 11, 17, 19, 21, 22, 23, 24, 26 & 27. The Land Commissioners' estimates of farming conditions from PRO MAF 38/49, 52, 55, 59, and 60, The Economic Position of Agriculture, 1935, 1936, 1937, 1938 and 1940 have also been included. These categorised farming conditions in a number of areas from good (G), satisfactory (S), moderate (M), poor (P), to bad (B).

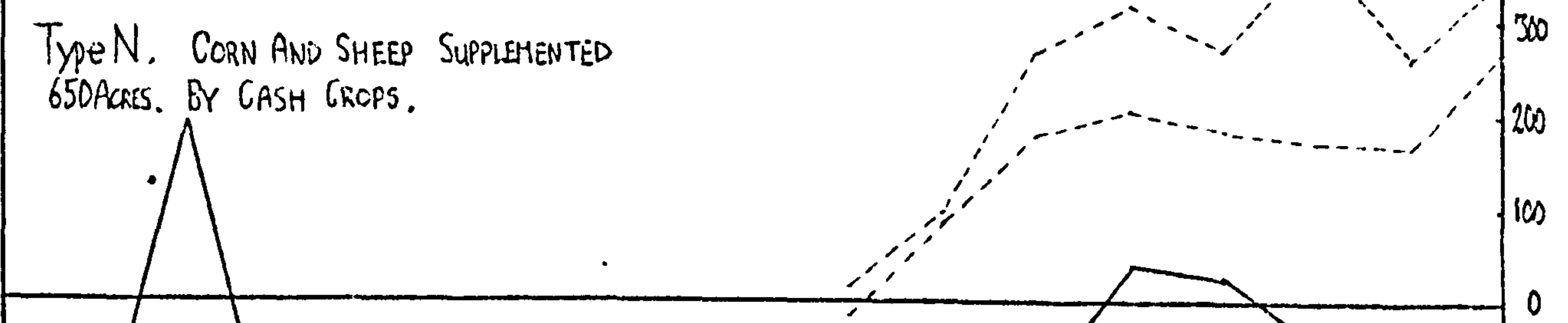
Type L. MIXED FARMING BASED ON 125 ACRES. ARABLE PRODUCTION.



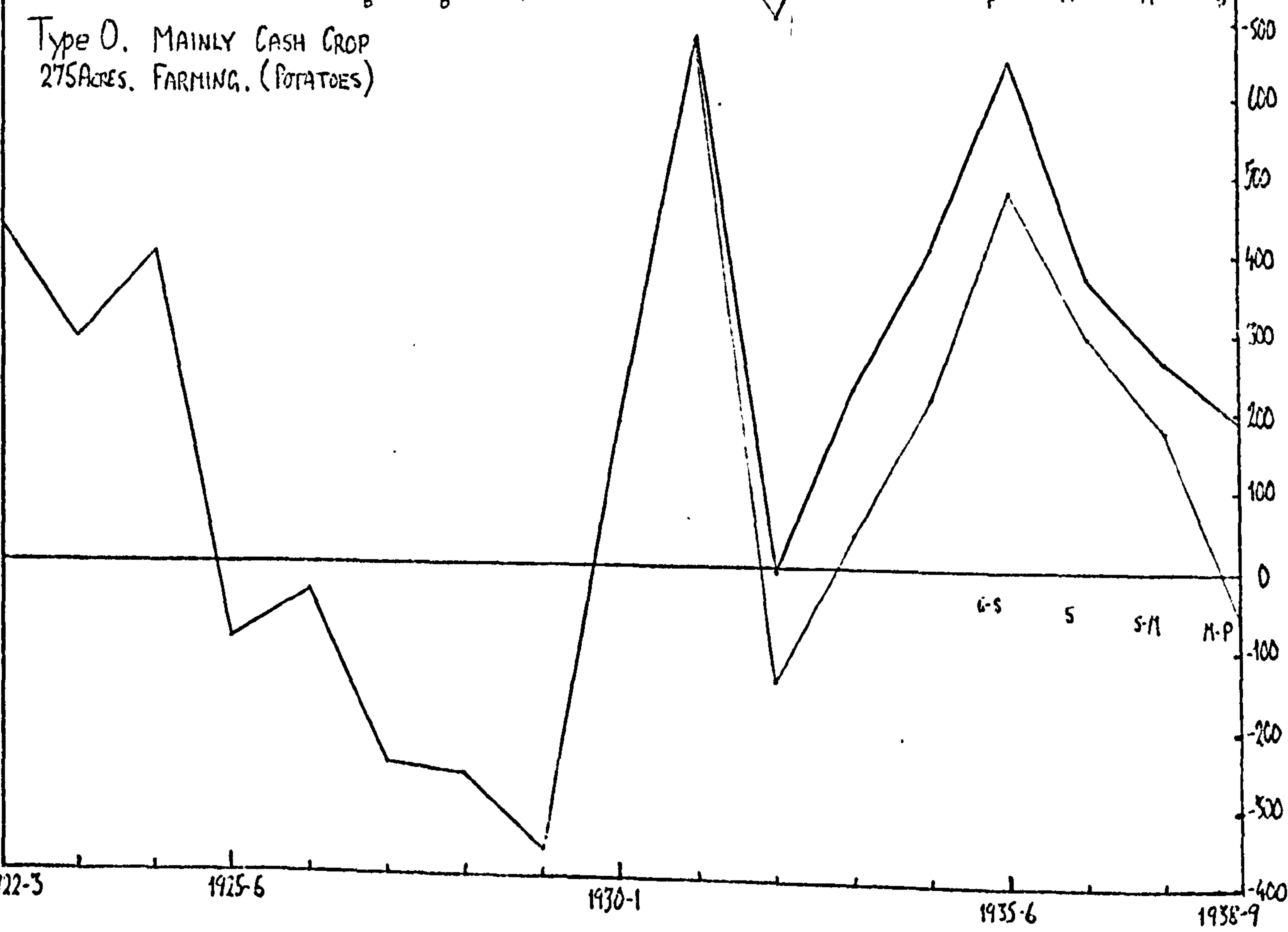
Type M. MAINLY CORN AND SHEEP 165 ACRES. FARMING.



Type N. CORN AND SHEEP SUPPLEMENTED 650 ACRES. BY CASH CROPS.



Type O. MAINLY CASH CROP 275 ACRES. FARMING. (POTATOES)



1922-3

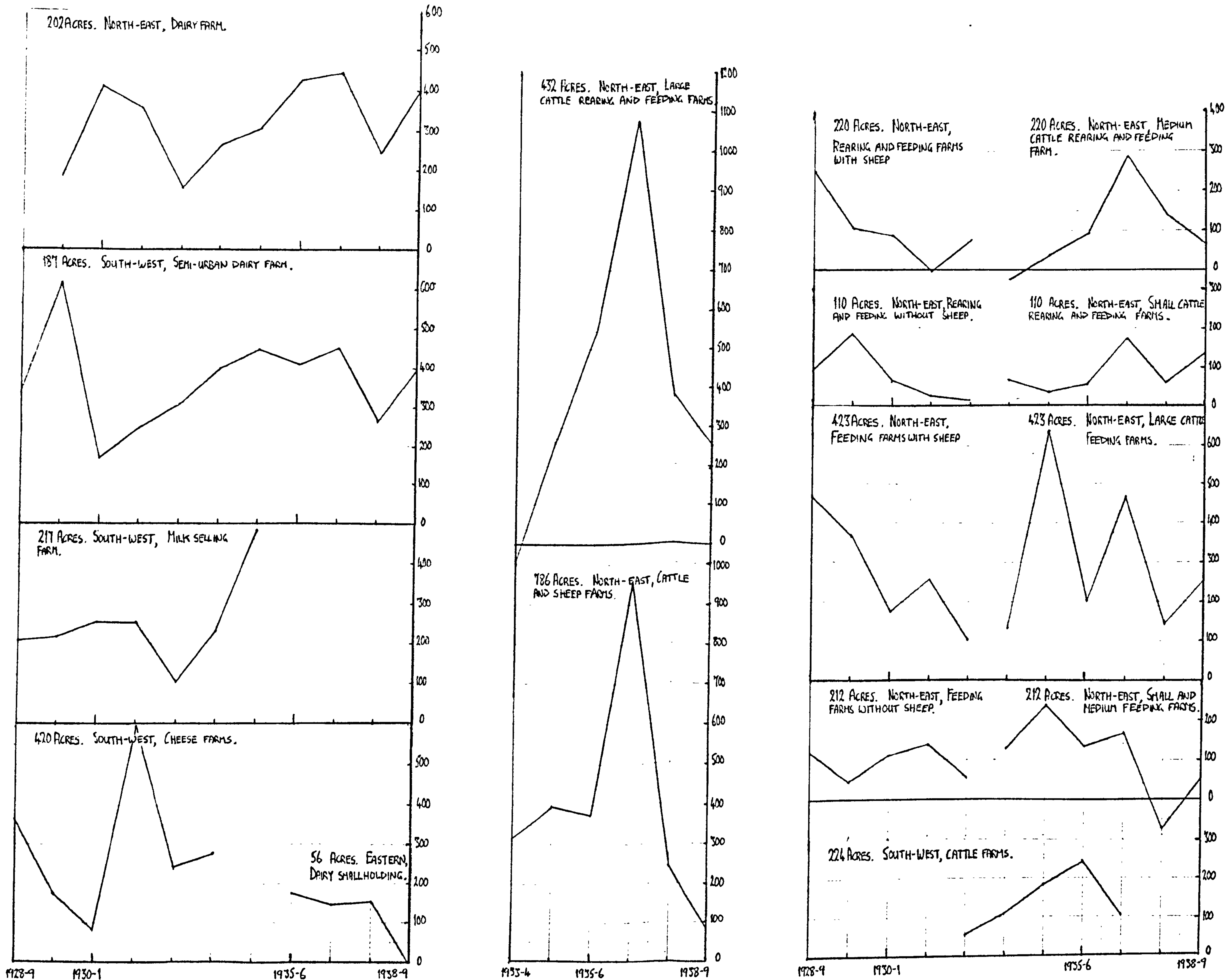
1925-6

1930-1

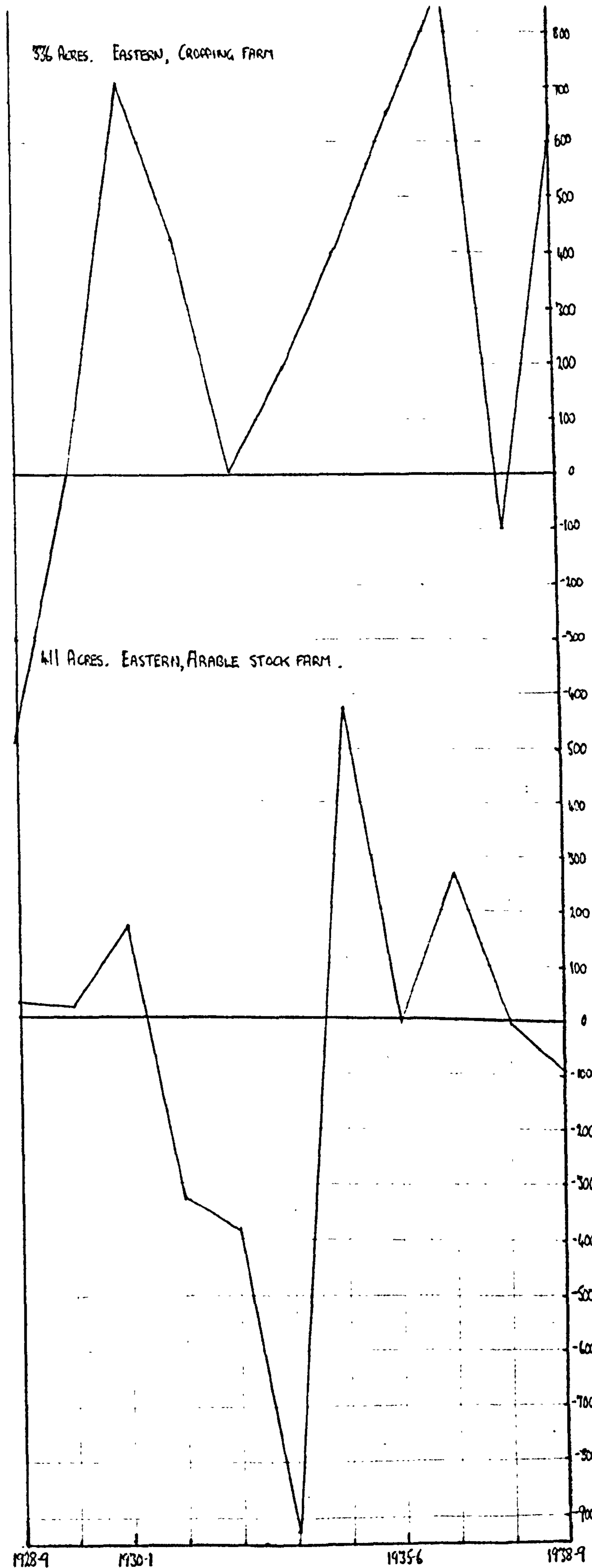
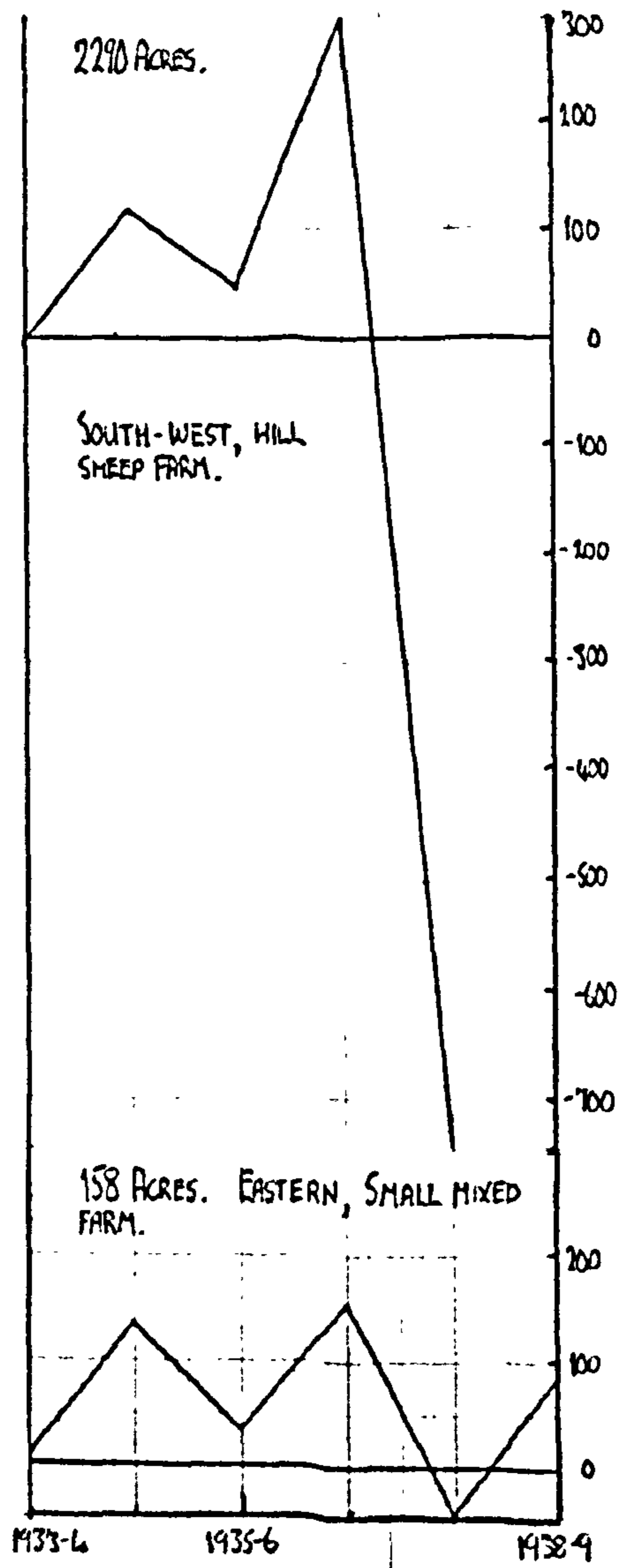
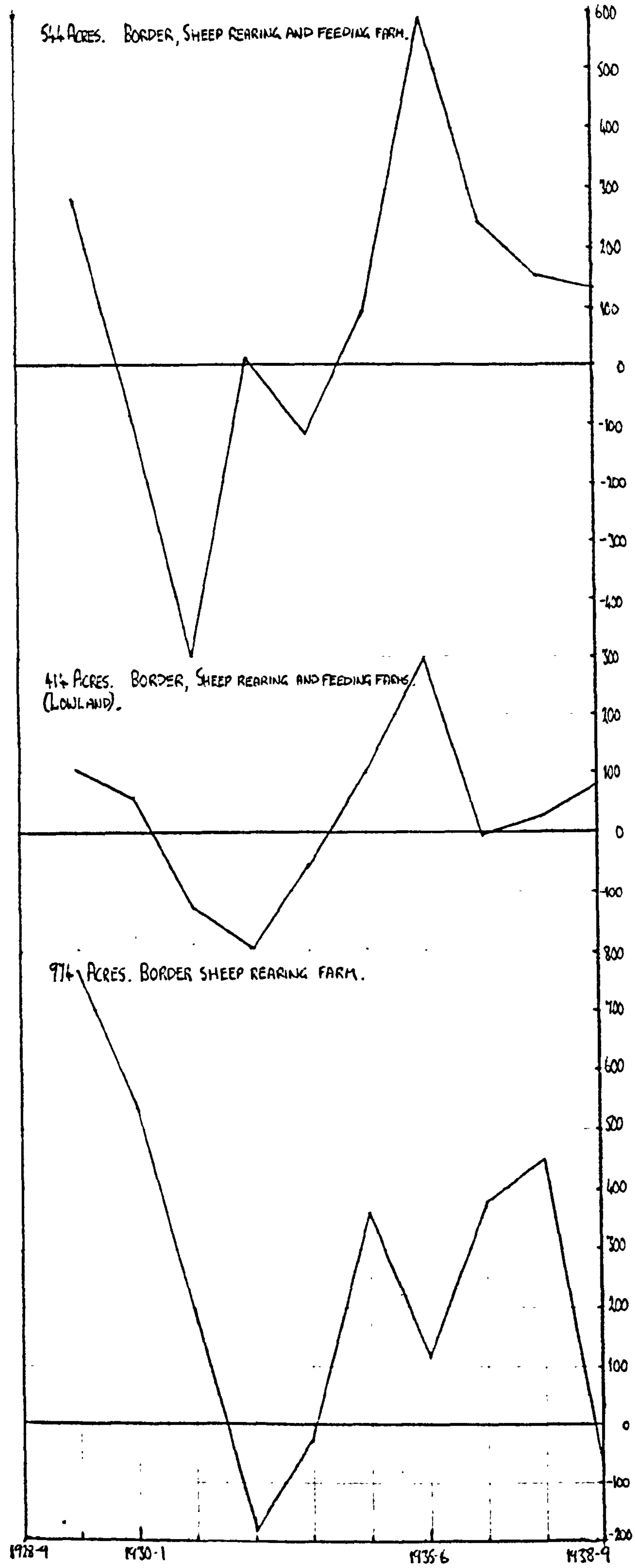
1935-6

1938-9

Incomes from Various Farm Types in Scotland, 1928/9 to 1938/9, (£.)<sup>1</sup>.

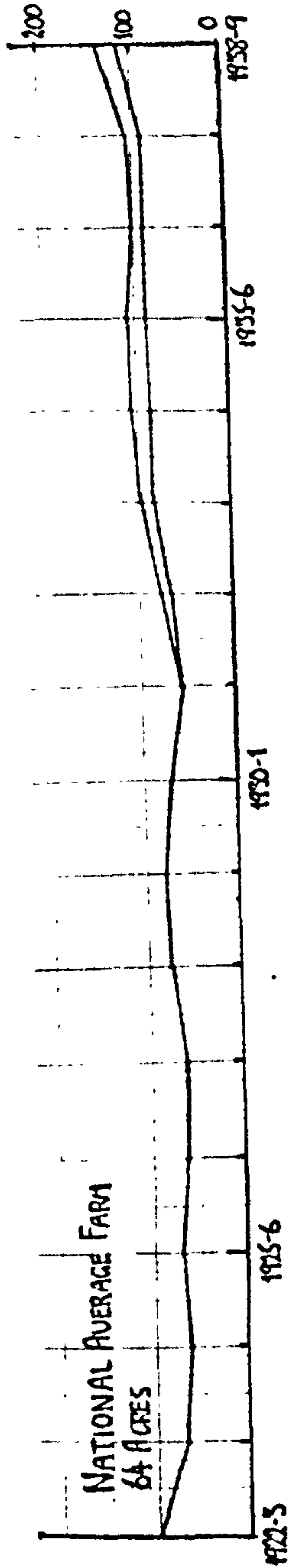


1. Dept. of Agriculture for Scotland, Reports on the Profitableness of Farming in Scotland, 1928/9 to 1938/9, (Edinburgh).



U.K. Average Farm Income, 1922/3 to 1938/9. (£.)<sup>1</sup>

Graph E.I.C.



1. Table F.VIII.

# Types of Farming Map of England and Wales

1938

## Pasture Types

- A Predominantly dairying
  - B Dairying supplemented by other enterprises
  - C Grazing and dairying
  - D Rearing supplemented by several other livestock enterprises
  - E Mainly rearing and sheep grazing
- ## Intermediate Types
- F Mixed farming with substantial dairying side
  - G Mixed farming with substantial rearing or feeding side
  - H General mixed farming
  - I Corn, sheep and dairying
  - J Farming based largely on wheat and cattle
  - K Other intermediate types with fruit, vegetables, or hops

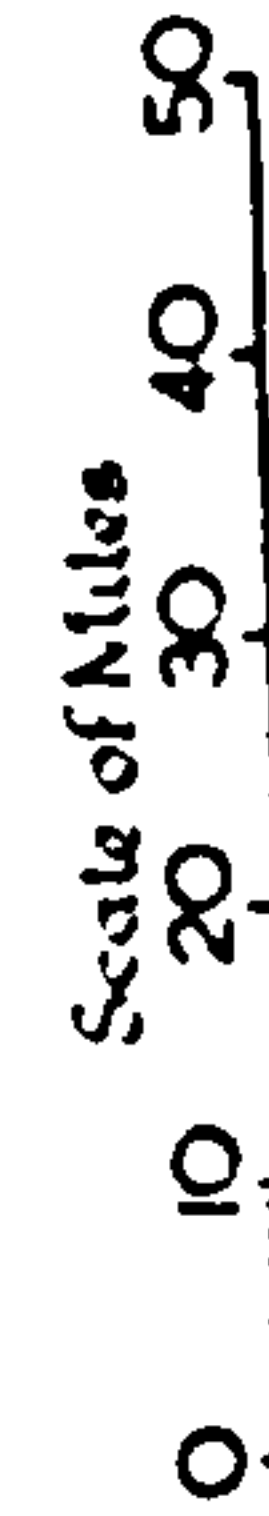
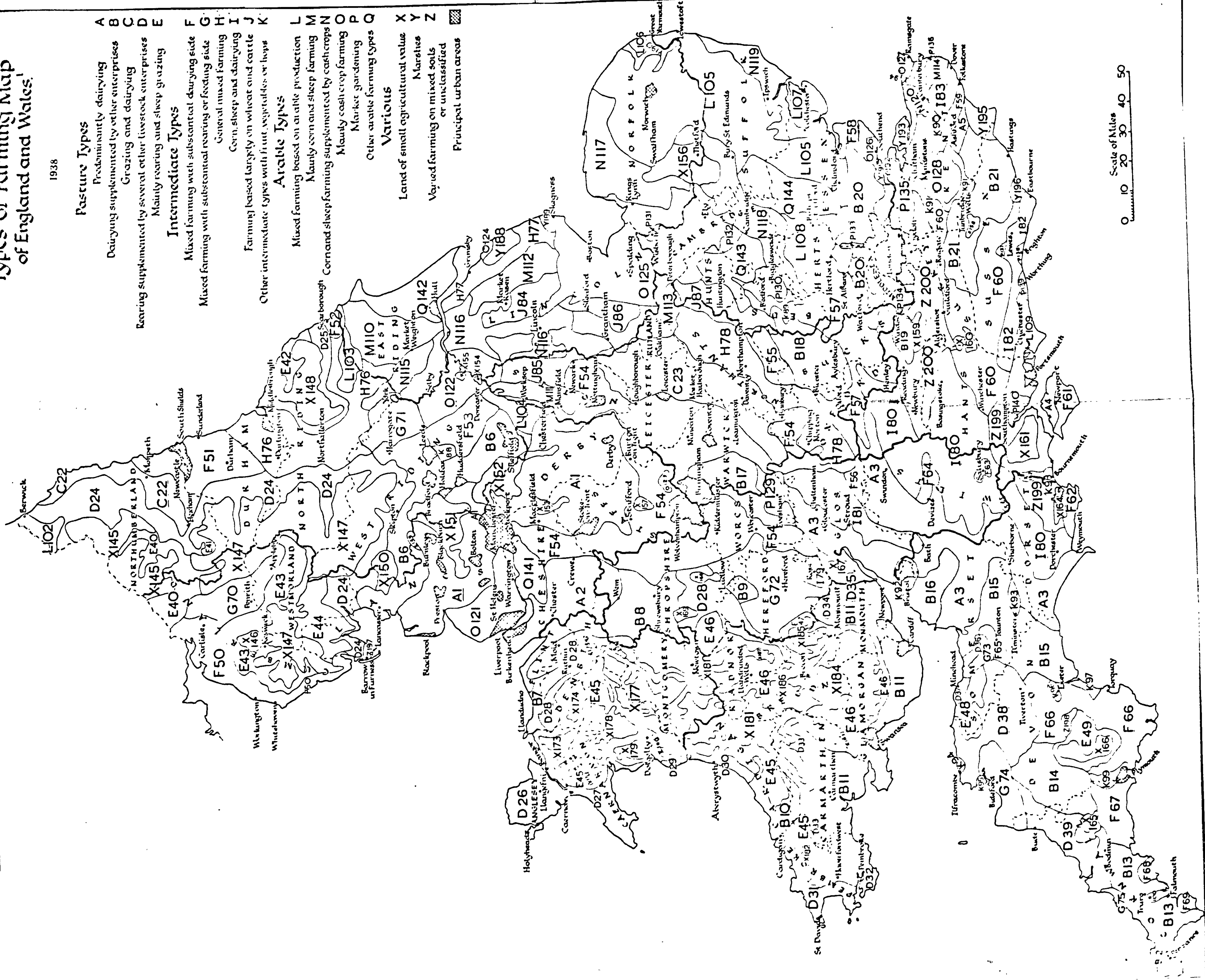
## Arable Types

- L Mixed farming based on arable production
- M Mainly corn and sheep farming
- N Corn and sheep farming supplemented by cash crops
- O Mainly cash crop farming
- P Market gardening
- Q Other arable farming types

## Various

- X Land of small agricultural value
- Y Marshes
- Z Varied farming on mixed soils or unclassified

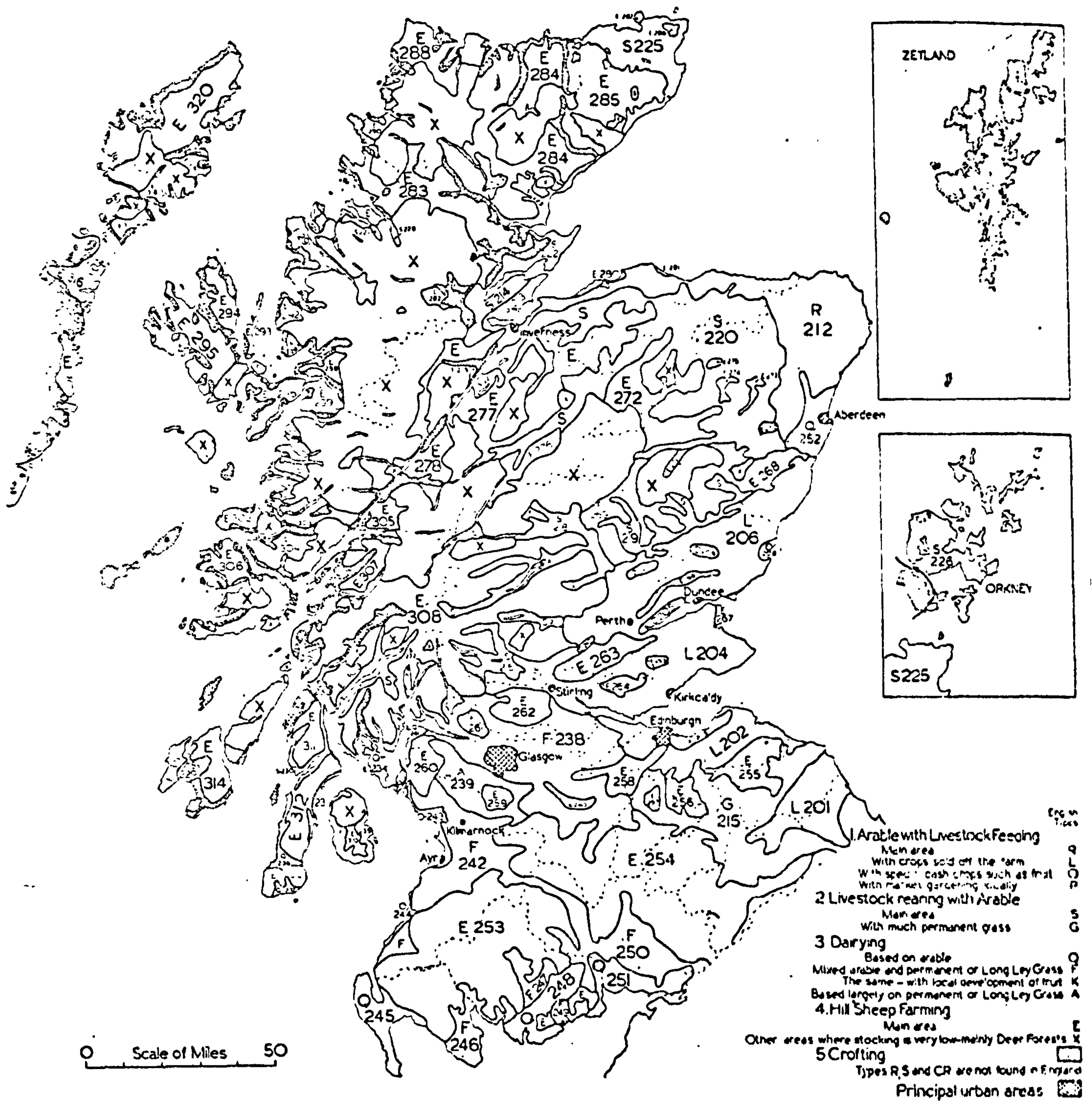
▨ Principal urban areas



Land Utilization Survey of Great Britain, A Farming Type Map  
of England and Wales, (1941).



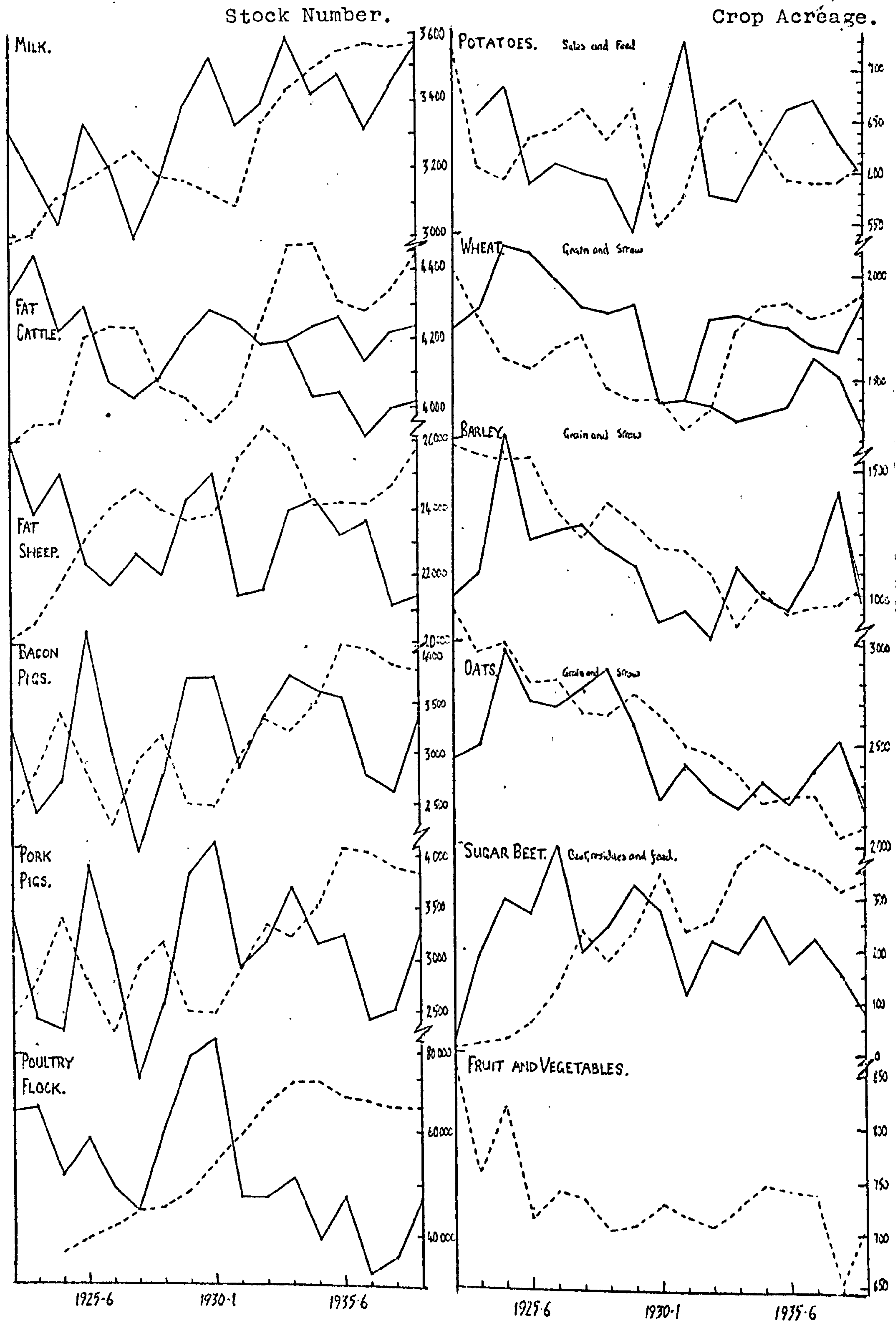
PREDOMINANT FARMING TYPES IN SCOTLAND<sup>1</sup>



1. Land Utilisation Survey of Great Britain, Map of Predominant Farming Types in Scotland, (London, 1941), p. 19.

Graph F. IV

Income from Constant Size Herds, Flocks and Crop Acreages, and Total Stock Numbers and Crop Acreages, 1922/3 to 1938/9.



— Incomes, ---- G.B. Production. Incomes were calculated from

the balance of receipts over expenditure in each cereal year, and thus some production costs are deducted from returns from the previous year's output. Returns were calculated using indices for the value of produce sold, the value on the farm of unsold produce, i.e. crops used for feed, and manurial and cultivation residues. Costs were calculated using indices for rent and rates, feed, fertiliser, labour, store stock, seed, and miscellaneous. Money values were not attached to the income graphs because whilst incomes might have moved in similar directions from year to year across the country, the level of costs and returns showed a wide range from farm to farm. The composition of costs and returns were derived as follows:-

Milk, Bridges, A., Milk Production, (Oxford, 1943), p.8, and PRO MAF 38/422, Costing Committee of the Conference of Advisory Economists, Milk Costs, 30.9.1939.

Fat Cattle, PRO MAF 38/422, Costing Committee..., Dept. of Agric. Econ., University College Wales, Costs of Fattening Cattle.

Fat Sheep, PRO MAF 56/13, RL 96, Costs of Sheep Production, and Wye Agricultural College, Reports No's X, XXV, XLII, Investigations into Farming Costs of Production and Financial Results.

Bacon and Pork Pigs, Wye Agricultural College, Reports No's IX and XXIII, Pig Keeping Costs and Financial Results for Six Years.

Poultry, Oxford Agricultural Economics Research Institute, Farm Management Survey Scheme, Economic and Financial Study of Farming in England and Wales, Report No. 2, 1938, (Oxford, 1940),

Lancs. Poultry Farms, pp. 117-118.

Potatoes, PRO MAF 38/419, Agricultural Commodity Costs, 1930-43, Potatoes Summary, and Wye Agricultural College, Reports No's XII and XXX, Costs of Production and Financial Results for Potatoes and Root Crops.

Wheat, Barley and Oats, PRO MAF 38/419, Agricultural Commodity Costs, 1930-43, Wheat and Oats Summaries, and Wye Agricultural College, Reports No's XX and XXXII, Corn Growing: Costs of Production and Financial Results.

Sugar Beet, PRO MAF 38/419, Agricultural Commodity Costs, 1930-43, Seal Hayne Sugar Beet Costs, Bridges, A., and Dixey, R.N., Sugar Beet, Ten Year's Progress under the Subsidy, (Oxford, 1934), p.63, and Min. of Agric., Econ. Ser. No. 27, Report on the Sugar Beet Industry at Home and Abroad, (London, 1931), p. 92.

Total stock numbers and acreages from Agricultural Statistics. Milk cattle numbers were taken as 'cows and heifers in milk and calf', and fat cattle from 'all other cattle'. It was not possible to distinguish accurately between bacon and pork pigs, and producers often changed the direction of their production according to prices. Consequently the total number of pigs was used for bacon and pork enterprise incomes.

Table F.IX

Rents, Statutory Charges, and Landed Incomes in England and Wales, 1911-13 to 1939.

Year	AVERAGE RENT PER ACRE OF AGRICULTURAL LAND <sup>1</sup>		NET RENT PER ACRE <sup>2</sup>		LANDLORD EXPENDITURE REMAINS AND STATUTORY CHARGES PER ACRE <sup>3</sup>		RATES PER ACRE <sup>3</sup>		LAND TAX PER ACRE (NET EXPENDITURE RECEIVED) <sup>4</sup>		TITHES PER ACRE <sup>5</sup>		REAL RENT PER ACRE <sup>6</sup>	REAL EXPENDITURE PER ACRE <sup>7</sup>	REAL NET RENTS PER ACRE <sup>8</sup>	LAND PRICES PER ACRE <sup>9</sup>		LANDLORD RETURN ON VALUE OF LAND AND ANNUAL CHARGES <sup>9</sup>	YIELD ON COWS <sup>10</sup>	RENTAL VALUES ACCORDING TO GENERAL INCOME TAX ASSESSMENT <sup>11</sup>	
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	1911-13 =100	1911-13 =100	1911-13 =100	£.	s.	%	%	s.	d.
1911-13	20	9½	10	6½	10	3	1	7½	0	5½	1	11	100.0	100.0	100.0	-	-	3.3	27	5	
1914	21	0¼	10	11¼	10	1	1	8½	0	5	2	0	100.1	91.1	100.4	-	-	3.3	27	4	
1915	21	2	11	0¼	10	1¾	1	9	0	5	2	2½	84.2	81.9	84.4	-	-	3.8	27	4	
1916	21	3½	10	11½	10	4	1	10	0	5	2	2½	71.6	67.9	71.0	-	-	4.3	27	4	
1917	21	5¾	10	10¾	10	5	1	10½	0	5	2	5	59.4	58.9	58.3	-	-	4.6	27	3	
1918	21	8¼	10	11½	10	8¾	1	11½	0	5	2	9	52.4	51.0	51.0	29	12	1.82	4.4	27	4
1919	21	10½	10	11¼	10	11¼	2	4¼	0	5	2	9	49.8	42.3	48.1	30	4	1.78	4.6	27	7
1920	22	10	11	3½	11	6½	3	5	0	5	2	8½	45.0	36.6	42.9	35	2	1.58	5.3	27	10
1921	25	9	12	7½	13	1½	4	5	0	4½	2	8	55.8	47.9	52.7	28	12	2.16	5.2	28	3
1922	24	10	12	0¼	12	9¾	4	0	0	4¾	2	8	66.7	60.3	62.2	28	14	2.05	4.4	28	4
1923	24	8¾	11	10¾	12	10	3	8¼	0	4¾	2	7½	67.7	63.9	64.4	30	6	1.92	4.3	32	9
1924	24	10¼	11	11	12	11¼	2	9½	0	5½	2	7½	69.4	63.6	64.2	30	12	1.95	4.4	32	7
1925	24	10½	11	11	12	11½	2	7½	0	5½	2	8	69.1	64.1	63.9	30	18	1.87	4.4	32	9
1926	24	8½	11	4½	13	4	2	8¼	0	5	2	7	70.3	66.9	62.4	28	18	1.92	4.6	32	10
1927	24	6	10	10¾	13	7¼	2	9	0	5	2	7	71.8	68.4	61.5	27	12	1.93	4.6	33	0
1928	23	7¾	10	2	13	5¾	2	9	0	5	2	7	69.7	69.1	57.8	27	8	1.81	4.5	32	7
1929	23	6¼	9	10½	13	7¾	1	5¾	0	5	2	6	70.3	70.6	56.8	21	6	2.25	4.6	32	3
1930	23	4	9	6¾	13	9¼	-	0	0	4¾	2	5½	72.4	72.8	57.2	22	8	2.07	4.5	32	4
1931	23	0	9	2½	13	9½	-	0	0	4¾	2	4½	76.3	73.6	53.9	23	12	1.87	4.4	32	2
1932	22	2	8	10½	13	3½	-	0	0	4¾	2	4½	75.6	74.6	58.3	22	16	1.87	3.7	32	3
1933	21	2¾	8	6	12	8¾	-	0	0	4¾	2	4½	74.5	72.6	57.5	24	16	1.67	3.4	32	5
1934	21	7¼	9	1	12	6¼	-	0	0	4¾	2	4½	75.3	71.6	61.0	27	2	1.64	3.1	32	4
1935	21	7¾	9	4¾	12	3	-	0	0	4¾	2	4	74.2	69.2	62.2	24	14	1.86	2.9	32	5
1936	21	7¾	9	10	11	9¾	-	0	0	4½	2	2	72.2	65.6	63.3	27	6	1.76	2.9	32	4
1937	21	6	10	4	11	2	-	0	0	4¾	2	0	68.0	57.5	63.0	27	6	1.85	3.3	32	2
1938	21	6¾	11	0	10	6¾	-	0	0	4½	1	11	67.8	51.5	66.6	27	12	1.95	3.4	32	3
1939	21	7½	11	3½	10	4	-	-	-	-	-	-	66.1	-	66.2	25	16	2.15	3.7	32	5

1. Calculated from Rhee, *Rent of Agricultural Land in England and Wales, 1870-1939*.
2. Calculated from Bellerby, 'Gross and Net Farm Rent, 1867-1938', *JAE*, 1954.
3. Calculated from Venn, J.A., *The Foundation of Agricultural Economics*, (Cambridge, 1933), pp. 196-7.
4. Calculated from the Reports of HM's Commissioners for the Inland Revenue.
5. Calculated from Bellerby and Taylor, 'Aggregate Tithe Rentcharge', *JAE*, 1955.
6. Calculated using the Ministry of Labour Retail Price Index.
7. Calculated using the index of 'Other Construction Work', Feinstein, *Op. Cit.* p. T137.
8. Britton, 'Sale Value of Farm Land', *Farm Economist*, 1949.
9. Calculated from the preceding columns.
10. Mitchell and Deane, *Op. Cit.* p. 455.
11. Rhee, *Op. Cit.*.

Table F.X

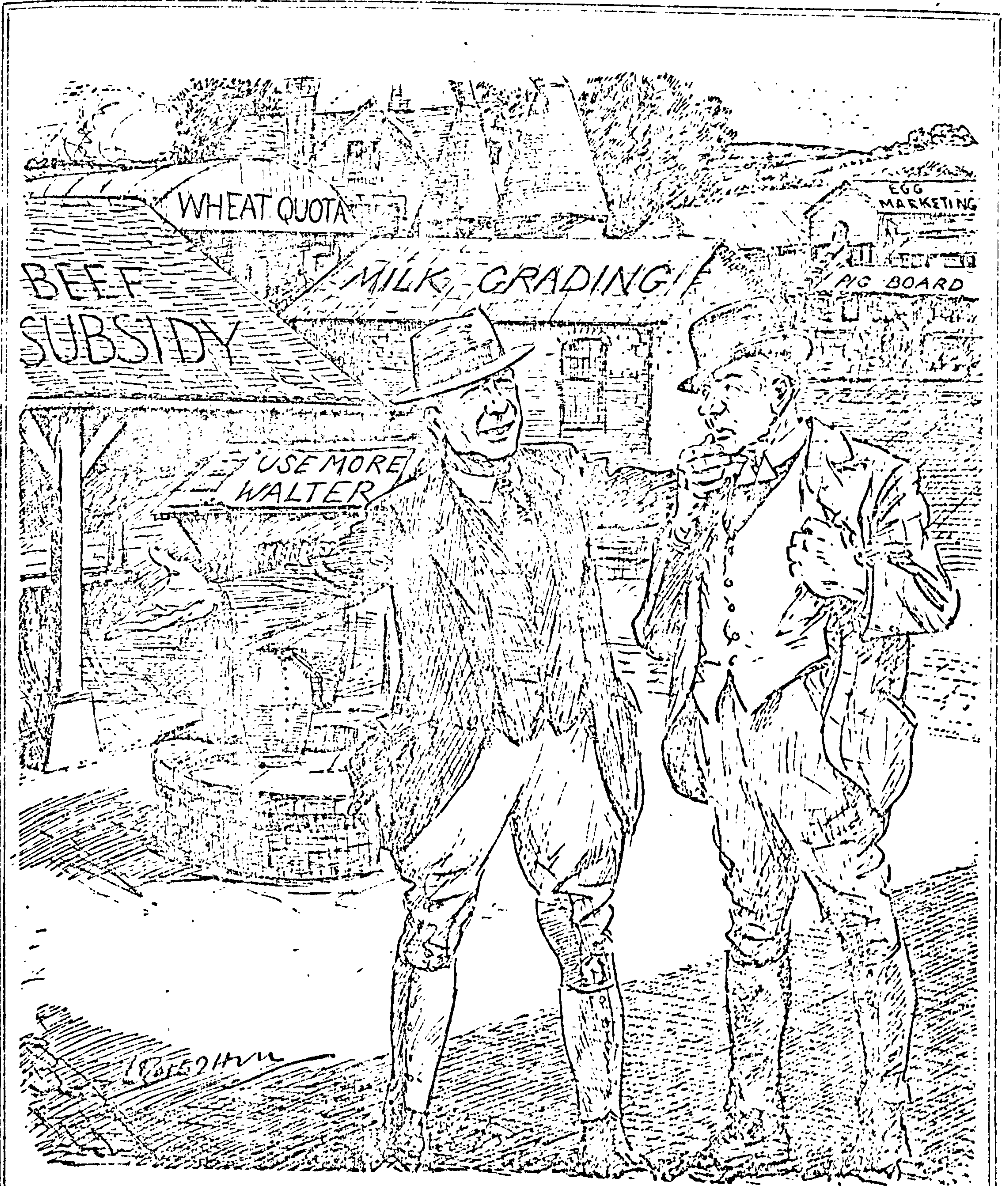
## Rent of Farm Land and the Structure of Farm Sales in England and Wales, 1925 and 1931.

Division	RENT OF AGRICULTURAL LAND IN ENGLAND AND WALES IN SHILLINGS PER ACRE, BY TYPE AND SIZE OF HOLDING, 1925 AND 1931 <sup>1</sup>												PER CENT OF:																																			
	ARABLE.			PASTURE.			MIXED.			1-5 ACRES.			5-20 ACRES.			20-50 ACRES.			50-100 ACRES.			100-150 ACRES.			150-300 ACRES.			300-500 ACRES.			OVER 500 ACRES.			FARM SALES 1918-39	HOLDINGS	FARM SALES 1918-39	HOLDINGS											
	1925	1931	%	1925	1931	%	1925	1931	%	1925	1931	%	1925	1931	%	1925	1931	%	1925	1931	%	1925	1931	%	1925	1931	%	1925	1931	%	1925	1931	%	1925	1931	%	1925	1931	%									
EASTERN	25	20		35	29		26	20		59	59		47	43		38	34		32	27		28	23		24	20		22	16		21	13		29	23		29	23		13	8		63					
N. EASTERN	27	23		43	32		29	22		55	55		52	44		44	39		31	30		31	26		22	22		24	18		20	14		30	24		20	14		20	14		8	8		0		
S. EASTERN	21	18		34	31		25	22		61	79		49	59		33	43		28	25		25	22		21	19		18	14		29	28		22	16		29	28		16	8		100					
E. MIDLAND	25	20		36	31		28	23		62	63		55	50		47	41		38	35		33	30		23	20		24	18		22	22		32	28		22	11		28	28		8	8		38		
W. MIDLAND	19	19		38	35		29	26		61	61		56	54		48	45		30	34		25	23		19	16		34	32		10	10		32	32		11	10		10	10							
S. WESTERN	26	24		48	39		33	27		75	67		62	55		52	44		42	36		27	23		23	23		22	18		38	33		22	13		33	13		0	0							
NORTHERN	28	24		30	28		28	24		60	61		46	44		36	29		26	25		23	20		23	23		23	19		29	26		23	8		26	13		-31								
N. WESTERN	41	37		40	36		36	32		74	76		61	59		46	45		33	32		28	23		28	23		22	17		39	36		15	15		-13											
N. WALES	26	25		30	27		25	24		52	43		42	39		34	32		25	22		19	16		17	14		28	26		2	7		-71														
S. WALES	20	18		27	27		22	22		42	39		38	37		31	32		20	20		20	18		16	16		25	25		5	10		-50														

1. Excluding fruit and poultry farms, MAF 38/178 Rents in Each Agricultural Division, Rents from all farm holdings.

2. Britton, 'The Sale Value of Farm Land', p. 131.

"This is the Farm that Walter built".



"THIS IS THE FARM THAT WALTER BUILT."

FARMER ELLIOT. "THERE—THAT'S ALL DONE FOR YOU!"

FARMER GILES. "AYE, MASTER. BUT YOU DON'T RECKON I'M GOING TO STOP GRUMBLING JUST YET?"

305

AGRICULTURAL LABOURERS

Traditionally agricultural workers have been one of the least well paid and the most under-privileged sections of the national labour-force. The inter-war years though, were a period of improvement for farm labourers. This was largely as a result of government intervention in wages in low paid occupations, and general legislation for improved national housing and unemployment insurance in which agriculture received special attention. However, although farm labourers' conditions in respect of pay, hours of work, housing, and rural amenities were much improved, only a slight advance was achieved in comparison with other sectors of the work-force, and the continuing exodus from the land was the most consistent feature of agriculture in the period.

The Agricultural Labour Force

The agricultural work force consisted of a combination of regular and casual, skilled and ordinary, male and female, adult and juvenile workers, all employed at different rates and for different periods of time. It is thus difficult to refer to the 'ordinary agricultural worker', but what was usually meant by this term was the semi-skilled, regularly employed, adult man, who formed the major part of the work force.<sup>1</sup>

Regular male workers were 70% of all hired farm workers in 1921 and 79% in 1938, and were employed on average for 51 weeks of the year. At least 40% of them were skilled men or specialists.<sup>2</sup> In 15 counties of the north of England and in Wales over 90% of the farm labourers were regular workers, and long-term contracts (annual and six-monthly) as found in Scotland were common.<sup>3</sup> Outside these areas the practice of weekly engagements was normal and the risk of seasonal unemployment existed, although a man might well

1. Although much of the labour force consisted of the relatives of small and family farmers, this chapter is concerned primarily with hired farm labour.

2. Astor & Rowntree, British Agriculture, p.315; Table AW.I.

3. MAF 47/19, Agriculture and Unemployment Insurance, 1933, p.3.

remain employed by one farmer for many years. Unemployment usually only affected regular workers during the winter, when perhaps 8% might be unemployed for the full three months.<sup>1</sup>

Casual male workers comprised 14% of the farm labour force in 1921 and 11% in 1939.<sup>2</sup> This category also included the 'ordinary agricultural labourer', listed as casual although in continuous work because he was not always employed by the same farmer. This largest class of casual workers, perhaps 56% of the total in England and Wales, was wholly dependent upon agricultural earnings and was employed for 40 weeks of the year.<sup>3</sup>

The remainder of casual workers were only partly dependent on agricultural earnings. Six per cent of casual labourers were smallholders who worked about twenty weeks of the year for other farmers, but relied on their own holdings for their real subsistence; 10% were workers who although employed in other occupations in rural areas (e.g. building), worked on average 23 weeks during times of seasonal pressure; 8% were migratory workers (Irish, gypsies, roadsters), who obtained about 22 weeks work mostly of a seasonal nature; and 10% were casual workers from urban districts who were not substantially dependent on agriculture, but who took up short-term seasonal employment for about ten weeks of the year for supplementary income, and partly as a 'holiday' from other work.<sup>4</sup>

Both full and part-time regular female workers were probably employed for 50 weeks of the year in agricultural and domestic work on farms (mostly in dairying), where there was little risk of being stood down in winter.<sup>5</sup>

1. Ibid..

2. Table AW.I.

3. MAF 47/19, Agriculture and Unemployment Insurance, pp. 4-5.

4. Ibid..

5. Chapman, A.L., and Knight, R., Wages and Salaries in the UK, 1920-38, (Cambridge, 1953), pp.51-2.



Casual female labour was seasonally employed for about thirteen weeks, to supplement family incomes.<sup>1</sup> With the growth of more alternative employment for women the female work force became more casual in this period.

Although the agricultural labour force was widely diversified, the skilled and ordinary male workers in continuous employment formed the most significant sector. Consequently, subsequent references to agricultural labourers will be chiefly concerned with these workers, who together with female workers in regular employment, received most benefit from government support in the period 1917-1939.

#### The Reduction in Numbers Employed in Agriculture

The main trend exhibited by the agricultural labour force between the wars was its continued migration into other occupations. This process had begun in the mid-nineteenth century as workers were attracted to higher paid employment and better opportunities outside agriculture. During 1921-39 the numbers employed on farms fell by 30% in England and Wales and 18% in Scotland; an average annual exodus of 15 860 workers.<sup>2</sup> The labour force became composed of older regular workers because there were fewer new entrants, and it also became generally lessskilled although a number of highly specialized jobs were emerging. The amount of juvenile and female labour was especially reduced, partly due to a growing reluctance to employ women in manual work.<sup>3</sup>

The decline in employment on the land was a result of the pull towards other employment felt by the industry; the unwillingness of new workers to enter farming; farmers seeking to reduce costs by economies in their use of labour during economic adversity; the use of more farm machinery; and changes in farm systems. From 1921 there was a period of rapid decline in numbers

1. MAF 47/19, Agriculture and Unemployment Insurance, p.6.

2. Table AW.I.

3. Ibid; Pedley, W.H., Labour on the Land, (1942), p.4.

which accompanied the price fall and the low rates of real farm wages. From 1924 to 1933 the 'push' out from agriculture exceeded the 'pull' of other occupations.<sup>1</sup> Initially farmers were induced to reduce their labour force as a result of the rise in wage rates relative to agricultural prices after the introduction of the 1924 Agricultural Wages (Regulation) Act. Also, incomes from several products which required a high density of employment fell steadily in these years, e.g. cereals (except wheat after 1932), fodder crops, roots, farmhouse butter, and farmhouse cheese.<sup>2</sup> In addition, the period saw the adoption of tractors and milking machines, and such innovations as improved road transport facilities and contract services, the extended use of which was profitable at almost any level of wages. Finally, the depression of 1929-33 forced farmers to overhaul their methods in detail in order to eliminate waste, and employment was reduced by the amount that farmers wished it to be.

The push was an aspect of the growth of efficiency in agriculture as the real value of the net output was maintained or increased with the expenditure of less labour. The pull was a reflection of agriculture's status as a marginal employer, liable to lose labour whenever alternative occupations were available although this was decreasingly possible in 1929-32. Consequently there was some agricultural unemployment in 1924-32, especially after 1929, but the excess of the push over the pull was manifested largely through the lack of new recruitment to agriculture rather than the discharge of regular workers. Usually only casual labourers suffered unemployment until the Slump, when unemployment became more pronounced even for regular workers, when there was exceptionally heavy seasonal standing-off, and when there were no alternative employment opportunities.

1. MAF 47/3, The Economic Position of Agriculture, Pt I. England and Wales, Employment, March 1938, p.4.

2. Table F.IV.

As the national and agricultural economy improved in the 1930s the decline in the farm work force increased as the attraction of other employment proved stronger than the earlier push from agriculture. By 1935 the number of farm labourers reached the farmers' minimum requirements and further reductions were mainly due to other opportunities for work. This forced farmers to utilize more fully the labour available and adopt expedients to cut back their requirements.<sup>1</sup> If the exodus had been due to a declining demand then the least able workers would have been dismissed, but it was the skilled and enterprising men who left the land, and the fact that there was generally so little unemployment suggests the majority left for other occupations rather than were dismissed. The exception was immediately after the depressions of the early 1920s and early 1930s, when more workers were employed in 1924 than 1923, and in 1933 than 1932. These were the only years of increase, suggesting that farmers cut back their labour requirements at the height of depression.

Farmers' reactions to the labour force were intermingled with their reactions to the depressed condition of agriculture. Changes to less labour intensive crops and productive systems were also responses aimed at minimizing costs and finding more profitable production methods. Mechanization was less important than cropping or stocking changes because most farms were too small for the efficient use of machinery, except in the wheat growing areas. Tractors were the most important labour saving machinery, facilitating and speeding many operations, but milking machines and lorries were also significant. Farmers released more work to contractors (transport and delivery, especially for milk, machine ploughing etc.), and on small farms they did more manual work themselves. When labour was short in the 1930s farmers sought to retain workers by paying wages above the regulated minima and by making employment more constant (especially for skilled men), and more

1. MAF 47/3, Economic Position of Agriculture, p.6; Pedley, Labour on the Land, p.7.

attention was given to overtime pay.<sup>1</sup> Improvements in workers' conditions were also affected by a diminution in standing-off in winter for it was felt that men stood-off might not return. Seasonal and casual workers were given piece-work more often, where they could earn more than the minimum for time work, and this possibly improved their incomes even more than the gains in wages made by regular workers in the 1930s.<sup>2</sup> Farmers also made greater use of employment exchanges, especially for seasonal workers.

There was a correlation between agricultural labour shortages, rural emigration, and industrial activity or development and rural public works. Emigration was relatively low from the arable south and east where subsidies maintained the more labour-intensive cultivations, and where there was little newly located industry able to offer employment to labourers. It was lowest from the family and small farm areas of the north and west where there was less paid labour and less of an appreciable labour shortage; where relatively higher wages were still paid; and where the declining staple industries limited alternative employment opportunities.<sup>3</sup> The exodus was most marked in the midlands where certain mixed and pasture farm types were becoming more extensive and where alternative employment opportunities were available in building and the 'new industries'. In Scotland there was a movement from the northern crofting counties into those lowland areas which supplied Glasgow and Edinburgh with dairy, poultry, and market garden produce.<sup>4</sup>

1. MAF 47/3, Economic Position of Agriculture, p.9.

2. Ibid. p.11.

3. Astor & Rowntree, British Agriculture, p.308; Pedley, Labour on the Land, pp. 4-6.

4. Astor & Rowntree, British Agriculture, p.309.

Essentially the drift from the land was caused by the unfavourable economic, social, political, and recreational position of farm labourers compared with other workers. Agriculture never offered better than 60% of national average earnings in the period, for longer hours,<sup>1</sup> no guaranteed annual holiday, weekly half-day holiday or a partially free Sunday, and little opportunity for advancement. Unemployment insurance did not cover agriculture until 1936, and even then it did not include all farm workers. Before 1936 farm labourers were dependent on the Poor Law for relief, and also after 1934 upon the Unemployment Assistance Board. Rural living too had its disadvantages. The shortage of cottages and their generally poor condition, without adequate lighting, water supply, and sanitation, were further drawbacks to farm employment. Purchased food and household requisites were more expensive in the countryside than the towns, and there was usually less choice available. The social status of the agricultural worker was low, and as a result of the War, the spread of daily newspapers, cinema, wireless, improved transport facilities, and better education, he became increasingly aware of the unfavourable comparison between his and other employments. As the isolation of the farming community was broken down the main causes of dissatisfaction — low wages and lack of overtime payments, week-end working and long hours — were more resented, and increasing numbers left the land for other employment.<sup>2</sup>

#### Agricultural Wages and Wage Regulation

Although agricultural working conditions remained unfavourable in comparison with other occupations in the inter-war years, some advances were obtained in living standards as a result of government attention and the decline in numbers. The most notable improvements were obtained in respect of rural wages as a result of the re-establishment of wages regulation.

Although the general and agricultural price level rose dramatically in the First World War, very little of the farmers' gains in income were passed

1. Tables AW, II-IV.

2. MAF 47/3, Economic Position of Agriculture, p.22.

on to labourers and wages rose by only half the rise in the cost of living.<sup>1</sup> Consequently, as well as providing guarantees against losses on wartime cereal production, it was decided that the Corn Production Act should include as a corollary, machinery for improving farm wages.<sup>2</sup>

The Corn Production Act introduced a national statutory minimum farm wage of 25s. a week, which was 1s.5d. higher than the summer harvest rate,<sup>3</sup> and established a central Agricultural Wages Board with powers to fix minimum rates as recommended to it by thirty nine District Wages Committees of Great Britain. However, although by July 1918 the Board had fixed wages at 30s., it was not until prices began to fall in 1920-1 that the rise in farm wages exceeded the rise in the cost of living since 1914.<sup>4</sup>

When the price guarantees for wheat and oats were removed in 1921 the statutory wages regulation machinery was also abolished. It was deemed unfair to remove the price guarantees on labour-intensive cereal crops and yet maintain wages regulation, despite the fact that downward revisions had occurred from September 1921 as agricultural prices fell<sup>5</sup> and the guarantees applied only to cereal growers.

The gap left by the Board's disappearance from October 1921 was partly filled under the 1921 Act by the establishment of 63 English and Welsh Joint Conciliation Committees on the Scottish model. As with the previous machinery they consisted of employers and workers' representatives and an independent chairman, and were empowered to agree local farm wages and conditions of employment. However, the rulings had no immediate statutory backing unless they were submitted to and confirmed by the Minister of Agriculture, when they became an implied term of contract for all farm employment in the

1. Wages were 23s.7d. in the summer of 1917 and 27s.1d. in 1918. Orwin, C.S., and Felton, B.I., 'A Century of Wages and Earnings in Agriculture', JRASE, 1931, p.249; Table AW.II.

2. See Chapter I for information relating to agricultural labour in the Great War.

3. Orwin & Felton, 'Wages and Earnings in Agriculture', p.249.

4. Table AW.II.

5. Orwin & Felton, 'Wages and Earnings in Agriculture', p.250.

district.<sup>1</sup>

Like the District Wages Committees, the employers were represented wholly by the county branches of the NFU and the Farmers' Federation, and the workers side were members of the National Union of Agricultural Workers (NUAW), the Agricultural Section of the General Workers' Union (GWU), and the Land Workers' Union (LWU). The employers remained well represented, but with the decline in farm workers' union membership labour representation was not fully maintained and in many areas the NUAW was even without a local organizer.<sup>2</sup> The Committees became one-sided and fell into disuse. Only 15 appointed independent chairmen, in ten the chair alternated between both sides, in 22 it was regularly held by employers, and only two chairs were held by workers.<sup>3</sup>

It was soon realized that these bodies would fail, and within a year most gave up all pretence of functioning. Five committees had only six agreements registered with the Ministry in three years, although in 1923 the Cabinet hoped to make registration compulsory and a bill was prepared to this effect.<sup>4</sup> Only three committees maintained agreements throughout their whole period 1921-4, and although in all 56 reached agreements, seven never made any at all.<sup>5</sup> Although these agreements covered half the country at the end of 1921, a year later they were in force in only one-third of the areas, and in one-sixth in 1923.<sup>6</sup>

1. MAF 47/25, Conciliation Committees in Agriculture, p.2.

2. MAF 47/25, Report on Conciliation Committees, 1923, p.3.

3. Ibid. p.5.

4. Pedley, Labour on the Land, p.29; MAF 47/25, Report on Conciliation Committees, p.13; CAB 23/45, Cabinet Meetings, 18 April and 27 June 1923; Agricultural Wages (Confirmation of Agreements & c.) Bill, 1923.

5. Pedley, Labour on the Land, p.29.

6. Ibid.; MAF 47/25, Report on Conciliation Committees, 1923, p.8.

As the wages machinery collapsed farmers dealt directly with their own men. The labour organizations were not strong enough to be effective or declined to share responsibility for fixing wages that they believed to be inadequate, although they conceded that employers had suffered from adverse economic circumstances.<sup>1</sup> Farmers were determined to make drastic cuts, and wages were reduced from 46s. 10½d. in 1920/1 to 36s. 11d. at the end of 1921, and to 27s. 11d. for longer hours by 1924.<sup>2</sup> Wages in 1924 were worth only 15s. 10d. in pre-War values, and 18s. had generally been considered too low in 1914.<sup>3</sup> There were many unsettled labour disputes in these years and workers were unable to improve their rates of pay. However, the great strike in Norfolk in 1923 probably prevented a return to wages levels as low as before the War.<sup>4</sup> Workers pressed for the re-establishment of wages control, although this was opposed by farmers.

The marked failure of voluntary wages regulation during agricultural depression led to unsuccessful attempts to revive real wages through legislation. The 1923 Agricultural Wages (Confirmation of Agreements & c.) Bill and Agricultural Wages Boards Bill<sup>5</sup> were rejected by the farming and Conservative interests in Parliament, but the Norfolk strike again focused attention on this issue. The 1924 Labour Government was also concerned with the problem (partly in order also to avoid a larger migration to the towns with a consequent increase in unemployment there), and had support for wages regulation in the Commons amongst the Labour and Liberal Parties. The NUAW

1. Orwin & Felton, 'Wages and Earnings', p.250; MAF 47/26, Agricultural Wages Bill - Memo to Commons by NFU, April 1924, p.6.

2. MAF 47/25, Report on Conciliation Committees, p.8; Table AW.II.

3. MAF 47/26, Agricultural Wages - Paper by Sir Francis Floud, Feb.1924, p.1.

4. Pedley, Labour on the Land, p.30. This strike spread over parts of Norfolk, and was concerned largely with levels of wages.

5. This envisaged Agricultural Wages Boards for England and Wales on the lines of the Trade Boards Act 1907, able to appoint District Wages Committee, but with no central body.



looked to a wages board to raise earnings rather than just to regulate them, and wanted a statutory minimum wage of 30s. (which would give about the same real income as before the War).<sup>1</sup> Although farmers were opposed to state intervention, the Labour Government refused to believe that farmers were unable to pay higher wages, or that this would mean a contraction of the arable acreage or of employment.

An agricultural wages board structure was seen as the only way to raise wages from subsistence levels and break down the dependence of rates of pay on local custom instead of economic principles.<sup>2</sup> Agriculture was the lowest paid of all industries,<sup>3</sup> and raising its wages was seen as helping to maintain all wages. Despite promises of a 30s. minimum wage from the previous government and in many election speeches, it was decided that this was more than farmers could afford without price guarantees and that if enforced land would be laid down to grass<sup>4</sup>. The Ministry also believed that workers were by no means united on a 30s. minimum; that a limit might discourage wage rises and injure those earning higher rates of pay; that the future cost of living was unpredictable; and that such a clause would render a Bill's passage more difficult.

The 1924 Act as it finally emerged was a compromise between the Agricultural Tribunal's Reports which had recommended district wages boards with executive powers, and a Central Board with district representatives.<sup>5</sup> The Agricultural Wages Regulation Act, 1924 established an Agricultural Wages Board and county Agricultural Wages Committees for England and Wales,

1. MAF 47/26, Letter from General Secretary NUAW, 8 April 1924, and Draft Agricultural Wages (Regulation) Bill, 1924, p.1.

2. MAF 47/26, Draft Agricultural Wages (Regulation) Bill, 1924.

3. Tables AW.II-IV.

4. MAF 47/26, Draft Agricultural Wages (Regulation) Bill, 1924, p.39.

5. Reports of the Agricultural Tribunal of Investigation, Cmds. 1824, 2002, and 2145, 1923-4.

but not for Scotland where wages were higher and employment was more regular. The power to fix statutory minimum wages rested with the Agricultural Wages Committees, unlike the structure of the first Agricultural Wages Board. This was despite the drafters' original intentions, and was largely in order to meet serious objections from Liberals and from farmers to local rates being fixed by persons not sufficiently aware of local conditions.<sup>1</sup> These rates were then confirmed by the Board, but unlike under the Trade Boards Acts, the Minister's ratification was not required.<sup>2</sup> The Board and Committees consisted of an equal representation of workers and employers, nominated by the NFU, NUAW and Workers' Union, and with impartial members and a chairman appointed by the Minister.

The Agricultural Wages Committees had three main responsibilities. They were to fix minimum rates of time and piece work, to define overtime rates and secure weekly half-day holidays, and to define the cash value of payments-in-kind. The Committees soon established minimum and overtime rates for time work, with differential rates for skilled men, but female workers were poorly treated and regulations were not made for piece work until 1937. The Committees were less successful in fixing half-day holidays, and could only make provision for this by ordering the payment of overtime rates. A whole range of cash scales were introduced in order to value benefits and allowances.

The immediate result of wages regulation was to increase wages. Ordinary male workers' wages rose from 27s.11d. in 1924 to 30s. 11½d. in 1925. Wages stood at 31s. 4d. in 1925/6 when they reached the same real level as in 1911-13, and they remained steady thereafter until 1933/4.<sup>3</sup> The Wages

1. MAF 62/14, Minister's Address to the First Meeting of the Agricultural Wages Board, 25 Nov. 1924, pp.1-2.

2. The Trade Boards were first appointed for 'sweated labour' in 1909 to settle minimum wages where wages were low because the labour force was weak and employment seasonalized or casual. See Bruce, M., The Coming of the Welfare State, (1961), pp.196-9.

3. 'The Farmers' Statistical Abstract', NFU Year Books, 1924-39; Table AW.II.

Committees prevented the decline in wages during the depression of 1931-3 from being as severe as that which occurred in 1921-4, although a higher proportion of men might have been unemployed. As farmers' incomes increased after the Slump and continued migration brought some labour shortages, farm wages in England and Wales rose to 34s.8d. in 1938/9, and annual earnings were £92.3 in 1938. Real weekly wages in 1938/9 were 35% higher than they had been in 1911-13.<sup>1</sup>

Average wages for ordinary farm workers ranged from 2s. to 2s. 6d. above minimum wages as a result of overtime and harvest payments. Special workers such as ploughmen, horsemen, and stockmen, who formed 30% of all paid workers in 1931, usually worked longer hours and thereby received proportionately higher wages. In 1925-37 21 Wages Committees fixed special inclusive rates of wages to cover their extra work, but in the remaining 26 Committees ordinary rates were paid and special workers obtained higher wages not because of their specialized knowledge and skill but only because of the extra hours they worked.<sup>2</sup> On average stockmen received an extra 5s.-6s. per week and horsemen 2s.6d.- 4s. per week.<sup>3</sup> These differences widened in the depression and narrowed thereafter, because skilled men had more secure jobs and were better able to resist wage cuts.

The regulation of wages failed to take account of all classes of farm workers, for piece workers and women were neglected by the Committees. Since together they formed a significant section of the work force some central direction should have been used to ensure that they were covered. The Act directed Committees to have regard to men's personal efficiency and family responsibilities (although the minimum wage tended to become the standard),

1. Tables AW.II-III.

2. Pedley, Labour on the Land, p.37.

3. Ibid. p.38; Annual Reports of the Agricultural Wages Board; Table AW.II.

but indicated no corresponding approach for women. Consequently, women's rates averaged £1 a week, which was unduly low even compared with kindred occupations.<sup>1</sup> Overtime was not defined for women although they faced the same deductions as men for board and lodging, and despite an enquiry in 1929-30 little improvement was made. The Committees were also empowered to fix harvest and piece-rates, but until 1937 none attempted to regulate the latter.<sup>2</sup>

One of the more important conditions accompanying statutory regulation was that wages became a weekly wage that had to be paid in full to all men regularly employed at that rate who presented themselves for work during that week.<sup>3</sup> Loss of time and money due to the weather was no longer the same grievance it had been. However, employment was generally less secure, especially during the winter in arable districts. Laying men off was one method of reducing labour costs, for workers were put on short time where previously they were in full employment, and the introduction of unemployment insurance in 1936 added to this tendency. Yet there was also a marked absence of labour disputes in agriculture, which had been fairly common before 1914 and during 1921-3. Without the Act, farmers would have forced down wages as happened in Scotland, and workers would have responded with strikes.<sup>4</sup>

Wages regulation was also able to reduce regional disparities in wages, although other factors were also involved. Throughout the nineteenth century wages in the north and in the counties around London and South Wales were higher than elsewhere because expanding industry created a demand for labour. Wages were lowest in the purely agricultural areas, especially where labour was plentiful. The first Wages Board evened up regional wages and closed the

1. MAF 62/14, Annual Report of the Agricultural Wages Board, Year Ended 30 Sept. 1925, pp.1-2; Pedley, Labour on the Land, pp.39-41. Women were mostly employed in milking, poultry, pigs, young stock, market gardens, potatoes, vegetables, hops, fruit, and harvest work.

2. Pedley, Labour on the Land, p.36.

3. Orwin & Felton, 'Wages and Earnings', p.251.

4. Pedley, 'Labour on the Land', p.65.

gap to 3s. a week in 1920<sup>1</sup>, but by the middle of 1924 the difference had increased to 6s. in favour of the north.

Because the localities fixed their own rates of wages after 1924, the subsequent equalizing of wages was not so much the result of central planning as in 1917-21. By 1931 a significant change had occurred which continued in the 1930s. Agricultural workers' prosperity was linked to that of industrial workers' wages and levels of employment, and initially industrial wages were high. When demand for labour diminished with the decline in the staple industries from 1920, agricultural wages were affected in the north and in Scotland, although long hirings delayed the trend there. The rise of new industries, the building boom, road and aerodrome construction, drainage works, the expansion of electricity, water, and gas, migration into such work, rural labour shortages, and arable subsidies, all pushed up farm wages in the 1930s. Because these factors were of most impact in the south, east, and midlands, they helped to reduce the regional farm wage disparity to 2s.6d. in 1937.<sup>2</sup> Wages rose around London and the midlands as new industry was concentrated there, but it was in the specialized and intensely cultivated districts that some of the greatest increases occurred as a result of migration. The lowest wages were paid on the isolated poorer grasslands.

The evasion of the payment of the wages to which workers were legally entitled was one of the weakest features of wage control. Initially a lenient view was taken of offenders, but after a few months it was decided that legal proceedings would be taken. The heavy fines prescribed in the Act were imposed, and in 1926 15 inspectors were appointed. Surveys revealed that 22% of workers were paid incorrectly in 1926, and 17% in 1929/30. This figure rose to 20% in the depression in 1931/2, and after a subsequent reduction moved up to 19% in 1937.<sup>3</sup> The number of complaints made to inspectors rose from 876

1. Orwin & Felton, 'Wages and Earnings', p.251; Table AW.V.

2. Pedley, Labour on the Land, pp.44-5; Table AW.V.

3. Pedley, Labour on the Land, p.51.

in 1925 to 2 822 in 1930 and 3 733 in 1937 as the Act's provisions became more widely known.<sup>1</sup>

The Committees were also responsible for securing a weekly half-day holiday. The method generally used was to apply overtime rates to employment in one day of the week, usually Saturday, in excess of a specified number of hours, after a certain time, or after a certain number of hours for the whole week. However, the Committees could not prohibit work, and many farmers kept the men employed at overtime rates, especially on mixed and pasture farms.<sup>1</sup> Following the example of the Dorset Committee in 1927, the same principle was extended to public holidays.

There was a gradual decline in payments-in-kind in the period, as farmers and workers found it more satisfactory to deal purely in cash. Special workers received most of the allowances. They usually occupied a cottage on the farm, or occasionally lived in the farmhouse, obtaining milk, fuel, and carting, and were sometimes able to keep a pig or cow and have a potato ground. Free rent of cottages was the major benefit, valued initially by 39 Committees at 3s. per week while the other committees' valuations ranged from 2s. to 4s.. There was a slight upward tendency across the period, but by 1937 37 Committees still allowed 3s. and the others were within the same limits. Weekly board and lodging was the second most important allowance, and ranged from 12s.6d. to 17s. in 1925, and from 14s. to 22s. in 1937.<sup>2</sup>

It was not until the mid-1930s that Scotland really felt the need for wage regulation. Although farm wages and earnings in Scotland were higher than in England until 1927, they fell steadily after 1924 once regulation was introduced. In 1936 Elliot, as Secretary of State for Scotland, pointed out that the conditions of employment and remuneration under the economic pressures of the previous few years, and the report of a departmental

1. Ibid..

2. Ibid. p.48-50.

3. Ibid. pp.42-3.

committee, suggested statutory machinery as originally intended for England and Wales was required in Scotland.<sup>1</sup> Subsequently, the Agricultural Wages (Regulation) (Scotland) Act, 1937 established an Agricultural Wages Board and eleven Agricultural Wages Committees, although unlike in England, the power to make orders rested with the Board. The fall in Scottish wages and earnings was reversed in 1934/5, but the introduction of regulation, and better farming conditions, secured a significant improvement. However, Scottish wages remained below those in England and Wales.

The regulation of wages in Great Britain was the subject of much controversy. Farmers argued that it interfered with their liberty of action and that labour costs were increased disproportionately to agricultural prices. Workers welcomed regulation but found that enforcement was difficult, partly due to lax organization, and complained of regional differences. Wage rates still varied between east and west, and north and south, and there were marked differences in the hours of work in Lancashire and Hertfordshire, weekly half-holidays in Derbyshire and Nottinghamshire, public holidays in Oxfordshire and Cheshire, the rent allowance for cottages in Durham and Essex, and the cost of board and lodging. The ignorance of farmers and workers alike of the Acts' provisions, even of its existence, was astounding, and the non-payment of minimum rates was commonplace.<sup>2</sup> However, the general effect of wages regulation, migration, and the competition of alternative employment from the greater number of transport, building, retail, and service occupations in rural areas, was to secure a 33% gain in real earnings by 1939 compared with 1911-13.<sup>3</sup>

Although farm wages and earnings rose in England and Wales as a result of regulation, agricultural labourers' incomes were never better than 60% of national average earnings. Farm labourers' incomes increased from 48% of

1. CAB 23/85, Cabinet Meeting, 29 July 1936, Conc. 16(1), (2); CAB 24/263, CP-205(36), Wages of Farm Workers in Scotland: Proposals for Draft Bill, 24 July 1936; CAB 24/265, CP-333(36), Summary of Proposals, 4 Dec. 1936; Tables AW.II-III.

2. Pedley, Labour on the Land, pp.60-2.

3. Table AW. III.

national earnings in 1924 to 53% in 1925, and rose steadily thereafter to 60% in 1939 as a result of regulation and continued migration.<sup>1</sup> Farm wages were consistently much lower than those of building labourers, railway permanent way labourers, and local authority labourers (which might be regarded as comparable occupations), for longer hours, and harder and perhaps more skilled work.<sup>2</sup> In 1925 workers averaged 50 hours in winter and 52 in summer, and after a slight rise in the depression, this fell to 49½ in winter and 51¾ in summer in 1937. In practice the hours worked were much longer than these, which represented the hours to be worked for a minimum wage and before overtime was paid.<sup>3</sup>

The introduction of wages regulation in 1924 secured an immediate rise in farm labourers' wages and earnings at a time when British farm incomes, and wages in Scotland, were stationary or falling. Wages and earnings were maintained by regulation, and emigration helped to prevent any increase in rural unemployment or underemployment. The exception to this was during the depression of 1929-33 when the Wages Committees prevented a slump in wages but rural unemployment was increased. The wages policy generally ensured that increases in incomes were achieved and that the maximum economic wages were paid without forcing unemployment on the industry.

Regulation and migration also improved the organization and management of many farms, otherwise the gains in output per man-hour, rather than per £100 of labour expenditure,<sup>4</sup> would not necessarily have been achieved even with increased use of machinery. However, the depression and labour shortages of the 1930s were also important enforcing factors.

Although wages regulation ensured that all opportunities for higher pay were taken up without forcing wages beyond an economic level, farm labourers remained amongst the lowest paid members of the national work force. Only initially were farmers really made to realize that they were paying too little. Because the agreements were made by the two parties

1. Tables AW.III and AW.IV.

2. Table AW.II.

3. Pedley, Labour on the Land, p.47.

4. Table F.VI.



who had to live under them, this removed chances for effective grievances against the policy. Farmers, initially opposed, became used to working with the mechanism, and labourers and their unions found their pay improved and bargaining position strengthened. The shortcomings of the policy might be seen as sins of omission rather than of a misguided approach. Wages regulation was the most important aspect of government policy towards farm workers.

#### Agricultural Unemployment Insurance, Unemployment Relief, and Holidays with Pay

Unemployment was not as high in agriculture during the inter-war years as in many other depressed areas of the economy, especially the other staple industries. However, the effect on its work force was more severe because agriculture was not covered by an unemployment insurance scheme until 1936. Farm unemployment was low in the 1920s, except during the initial fall in agricultural incomes, and was confined almost entirely to casual labourers until the severe winter of 1928/9 and the subsequent depression.<sup>1</sup> It was only with the onset of depression that agricultural workers became interested in insurance. Previously the reluctance of both employers and workers had prevented a scheme in this low-paid, low unemployment industry, but from 1930 the labour unions began to press for their inclusion. However, the government did not face the administrative and financial difficulties until 1934, and it was not until 1936 that a special agricultural scheme was passed.

The agricultural community was first consulted about an insurance scheme when a general Unemployment Insurance Bill was introduced in 1920. Farmers were strongly opposed and although some of the workers' leaders were in favour they were generally not desirous of pressing the matter. The need for compulsory insurance was deemed less than in other industries since employment was high at the time, and agriculture was not included in the

1. MAF 62/32, Reports of Proceedings under the Agricultural Wages (Regulation) Act, 1924, for 1925-30.

Act.<sup>1</sup> A committee was appointed by the Agricultural Wages Board to examine the application of insurance to agriculture, and concluded that workers and employers were opposed to statutory or voluntary insurance schemes, and that the incidence of unemployment was insufficient for the preparation of a scheme.<sup>2</sup>

The question was not considered again until two reports were produced by the Inter-Departmental Committee on Agricultural Unemployment Insurance, 1926, set up by the Council of Agriculture after the severe price fall of the early 1920s.<sup>3</sup> Both reports agreed it was unnecessary to extend any scheme to Scotland where the practice of long hirings significantly reduced unemployment and where both workers and employers were opposed, but the Majority Report favoured a scheme for England and Wales. It stated that though the risk of unemployment was low, farm workers should be included in a general scheme at the same rates of benefit but with lower contributions. The Baldwin government agreed with the Minority Report and the Council of Agriculture that immunity from unemployment had not diminished since 1920 and there was no need for change.<sup>4</sup>

The Blanesburgh Committee, appointed to examine unemployment insurance, concurred with this decision in 1927 and pointed out that agriculture could not be included in any general insurance scheme since the benefit was usually in excess of farm wages, and workers were unable to afford ordinary contributions.<sup>5</sup> When the Labour Government took up the question of insurance

1. MAF 47/15, Paper 37, Joint Memo to the Royal Commission on Unemployment Insurance, 1931, p.645.

2. Royal Commission on Unemployment Insurance, Final Report, 1932, Cmd.4185, 1932, p.191.

3. Royal Commission on Unemployment Insurance, Final Report, 1932,p.191.

4. MAF 47/15, Joint Memo to the Royal Commission on Unemployment Insurance, 1931, pp.645-6.

5. Ministry of Labour, Departmental Committee on Unemployment Insurance, 1927.

Miss Bondfield, the Minister of Labour, stated the main difficulties facing an agricultural scheme. These were the absence of any reliable information on unemployment, the consequent problem of finance and low wages, the disadvantages of a special scheme, and the need to secure the agreement of employers and unions.<sup>1</sup>

The Royal Commission on Unemployment Insurance, appointed in December 1930, considered agricultural insurance as part of its brief in the light of the rise in rural unemployment (even amongst regular employees) since the winter of 1928/9. However, although it accepted a scheme in principle the Commission delayed progress in view of the difficulties over the lack of evidence for costing, the belief that a scheme might increase unemployment, and that it was impractical to bring agriculture inside a general programme at the normal rates of contribution and benefit. Its recommendations in 1932 proposed that an Unemployment Insurance Statutory Committee, which was to oversee the general scheme, might explore a separate agricultural scheme with the industry's representatives.<sup>2</sup> A Minority Report wanted agriculture to be included in a general programme at lower rates of contribution and benefit.<sup>3</sup>

As a result of the agricultural depression and economies in labour use by farmers, labourers' opinions, even in Scotland, turned in favour of insurance which they had formerly considered too expensive. Numerous resolutions passed at district meetings of the NUAW culminated in December 1932 in a deputation to Sir Henry Betterton, the Minister of Labour, which stated that unemployment especially in the winter, was so much increased

1. Hansard, Vol.232, 21 Nov. 1929, Col.738, and Vol.234, 29 Jan. 1930, Cols. 1138-4; MAF 47/19, Memò to the Unemployment Insurance Statutory Committee on Unemployment Insurance for Agricultural Workers, 1934, p.4.

2. Royal Commission on Unemployment Insurance, Final Report, 1932, Cmd.4185, 1932, pp.191-199.

3. Ibid. pp.444-451.

that some provision other than Poor Relief was essential.<sup>1</sup> It was a long-standing grievance of agricultural workers that everything was done for farmers and nothing for labourers, and they now wanted the same protection afforded to them as to other workers as a definite right, and in place of public relief schemes. The problems were stressed to the deputation who assured Betterton that many District Committees would pay the full contribution of 10d. a week to the general scheme if a special one were not practical.<sup>2</sup>

The change of opinion in certain agricultural areas was more important amongst ratepayers, who began to complain of increased charges on local relief funds through the Poor Law and Public Assistance Committees. By 1934 the English agricultural labour unions, Scottish Farm Servants' Union, and Federation of Rural Approved Societies all demanded insurance. Thirty branches of the NFU were still opposed but sixteen were in favour, together with the Central Landowners' Association and Land Agents Society. However, the NFU of Scotland and the Scottish Chamber of Agriculture were opposed although unemployment was probably at a similar level north of the border.<sup>3</sup> Many farmers were opposed to the expense of the employers' contribution.

Consequently, faced with demand for insurance, despite earlier public expenditure cuts and a deficit on the main scheme, the Royal Commissions's recommendations were put into operation when the 1934 Unemployment Insurance Act required that the Unemployment Insurance Statutory Committee investigate a scheme for agriculture. The Act also enhanced the position of farm labourers by making them eligible for payments under the new centralized services of the Unemployment Assistance Board, which had been created for those whose benefits had been used up and those awaiting insurance payments.<sup>4</sup>

1. MAF 47/19, Memo to the Unemployment Insurance Statutory Committee..., 1934, p.4. Until 1934 the only relief available to agricultural labour was that provided under the Poor Law.

2. Ibid. pp.4-5.

3. Report of the Unemployment Insurance Statutory Committee for Agriculture, 1935, Cmd. 4786, 1934-5, pp.9-13.

4. There was a six day wait under the general scheme.

This replaced the relief provided by the locally financed Public Assistance Committees.

Until 1934 the only unemployment relief afforded to farm workers was that available under the much disliked Poor Law. Despite the Royal Commission on the Poor Laws in 1909 no changes in relief were effected until Chamberlain reformed the system under the Local Government Act, 1929, which clarified and partly centralized relief administration. Until this came into operation the rates of relief depended upon extremely localized elected guardians, answerable to the ratepayers and virtually independent of all central authority. However, the workhouse test, the main principle of the 1834 Poor Law, had been dropped by a significant number of the 625 unions and relief was paid outdoors in cash and kind, sometimes even above the level of insurance benefits.

The 1929 Act transferred the powers and duties of the Poor Law Unions to the county councils and county borough councils. The administration of domiciliary and institutional relief became the responsibility of the Public Assistance Committees (PAC's) until the Unemployment Assistance Board was created in 1934, and then this took over responsibility for almost all the unemployed. This left the PAC's responsible only for the blind, disabled, elderly, etc.. The Public Assistance Committees remained tied to the needs of the area, operating the controversial 'Means Test' from 1931 (which resulted from the May Committee Report<sup>1</sup>), although many Labour councils evaded it. Rules, test, and rates of relief varied widely from area to area, partly due to local differences in the cost of living, especially housing. Relief was paid partly in kind, and might be subject to the applicants performing a specified amount of work on roads or in Poor Law institutions. Rates for a man, his wife, and two children ranged from 20s.6d. to 32s. in rural districts.<sup>2</sup>

1. MAF 47/18, Relief Payments Received from Public Assistance Authorities by Unemployed Agricultural Workers, p.2.

2. MAF 47/18, Unemployment Insurance for Agriculture - Notes for the Minister, 26.Feb.1935, p.6.

The Unemployment Assistance Board (UAB) was intended to separate the long-term unemployed from the insurance schemes and to end regional disparities in payments. It took over agricultural relief from the Poor Law until a separate scheme was devised. However, the new national rate of 24s. a week, introduced from January 1935, was in many cases lower than that offered by the Public Assistance Committees.<sup>1</sup> As a result of strong public opposition to this change, the Unemployment Assistance (Temporary Provisions) Act, was rushed through in 1935. This authorized relief officers to use either the new UAB or old PAC scales, until revised regulations in July 1936 raised benefits, often to levels above wages in very depressed areas.<sup>2</sup> By then, however, agriculture had its own insurance act.

The failure of the Unemployment Assistance Board stimulated the government to enact the 1935 scheme prepared in the Unemployment Insurance Statutory Committee's Report on Unemployment Insurance for Agricultural Workers. It was decided that an agricultural scheme was practical if separate from the general scheme, a principle that had been accepted since 1930.<sup>3</sup> The agricultural scheme would then benefit from the lower rates of unemployment and operate with lower contributions and payments to avoid burdening the farming community and to prevent payments competing with wages.<sup>4</sup> The scheme would also be financially self-contained and not burdened with a share in the repayment of the accumulated debt on the general fund.<sup>5</sup> The Report overrode the principal objections to agricultural insurance. It would not be an intolerable burden on farmers and labourers because the

1. Ibid..

2. Gilbert, B.S., British Social Policy, 1914-39, (London, 1970), pp.185-7.

3. CAB 23/63, Cabinet Meeting, 29 Jan. 1930, Conc. 10.

4. Report of the Unemployment Insurance Statutory Committee, 1935, Cmd. 4786, 1935, Pt.III, Section 3.2.

5. Ibid. Pt.II, Section 2.

contributions were not excessive, and were desired by the majority of workers and a substantial minority of English farmers. It was accepted that the scheme would induce some increased unemployment and 'casualization' of the labour force, but it was intended to encourage long-term hirings by offering lower contributions. Winter employment had been reduced in the early 1930s and it was at this time of year that insurance was most needed. Agriculture had not been properly covered by Part II of the 1934 unemployment Act when, unlike other industries, it only received assistance related to other resources and not as a right. The lack of insurance was seen as a significant factor in the drain of farm labour to alternative employment, and furthermore, any determined effort to increase agricultural productivity and prosperity was believed to require an efficient labour supply. Thus, in view of complaints of labour shortages it was deemed contrary to agriculture's interest to withhold insurance protection.<sup>1</sup>

The Unemployment Insurance (Agriculture) Act, 1936, covered all those employed in agriculture, horticulture, and forestry, unless they were of the immediate family of the employer, or were seasonal or migratory labour.

Benefits were payable six days after application, for a maximum of 300 days in each benefit year, provided that 20 contributions had been paid in the two years prior to the claim. Further to this, ten new contributions were required for each further payment, until these extra contributions were no longer needed after March 1938. When a claim commenced, 12 days' benefit was payable on the first ten contributions, and then three further days for each additional contribution. The Cabinet Committee on Unemployment Insurance for Agriculture decided that scales of contributions and benefits that were proposed initially were too low in relation to relief payments, and since they would also be supplemented by the rates<sup>2</sup> they were unsatisfactory for the contributory principle.<sup>3</sup> The Cabinet accordingly raised both,

1. MAF 47/18, Unemployment Insurance (Agriculture) Bill - Notes for the Minister, 1936, p.9.

2. This occurred when the claim of a large family exceeded the maximum amount payable.

3. CAB 23/81, Cabinet Meeting, 13 March 1935, Conc. 8 (1), (2); CAB 24/254, CP-52(35), Second Report of Cabinet Committee on Unemployment Insurance, 9 March 1935.

subject to a maximum payment of 30s. a week in order that this might not compete with wages.<sup>1</sup> Contributions and benefits were subsequently raised after 1936 and although benefits were below those in the general scheme, they were available for a greater period of time.<sup>2</sup>

As a result of cautious budgeting the Agricultural Fund showed a large credit balance in each year of its operation, which allowed contributions to be lowered and benefits raised as both farmers and labourers' unions had wished.<sup>3</sup> The maximum payment was only raised to 33s. in March 1939, although further changes were intended to reduce the disparity with payments under the general scheme. The limit to benefits was to be raised to 35s. to reflect rising wages and the cost of living, even though in Wales this was close to farm wages.<sup>4</sup> Despite union pressure the ceiling on payments remained, and families with more than three children had to have recourse to the Unemployment Assistance Board.

The 1936 Act enhanced the status of farm labourers, as well as their incomes when unemployed, and was probably most important to casual labourers dependent upon farm earnings. It was unfortunate that owing to the reluctance of farmers and labourers to pay contributions, and the lack of statistical knowledge about farm unemployment, insurance was not available during 1929-34 when it was most needed, but commenced operation when agricultural employment was much more favourable. The Act arose out of the

1. CAB 23/82, Cabinet Meeting, 18 Dec. 1935, Conc.9 (1), HA-34(35), Draft Unemployment Insurance (Agriculture) Bill.

2. Table AW.VI.

3. MAF 47/22, Reports of the Unemployment Fund (Agricultural Account); Unemployment Insurance (Additional Benefits and Reduction in Contributions) (Agriculture) Order, 1938; Unemployment Insurance (Additional Benefits) Order, 1938; Unemployment Insurance (Benefit) (Miscellaneous Provisions) Regulation, 1938; Increase in Benefits and Reduction in Contributions (Agriculture) Order, 1939. The general policy respecting a surplus was to reduce contributions although the labour movement preferred raised benefits too. The contributions were the only direct taxes paid by many labourers.

4. MAF 47/22, Fourth Report of the Financial Condition of the Unemployment Fund (Agricultural Account) as at 31 Dec. 1939. p.17.



prolonged agricultural depression which was over when it was passed in 1936. Thereafter continued migration and more constant employment allowed improvements in benefits and contributions.

Before agricultural insurance was available work creation projects were operated in order to reduce unemployment.<sup>1</sup> In view of the substantial unemployment in the autumn of 1921 parliament voted money for relief works, a part of which was allocated to land drainage to alleviate unemployment in rural areas. The Ministry and Department administered 652 schemes through Drainage Authorities and 1 068 through the county agricultural committees, costing £855 000 for drainage grants and employing 1% of agricultural workers.<sup>2</sup> The work was undertaken only during the winters of 1921/2 to 1925/6, in order not to divert men from regular employment during the busier seasons. Drainage authorities could also obtain finance from the Unemployment Grants Committee, and a fresh departure was made in 1926 when funds were made available for five years to enable the Minister of Agriculture to financially assist drainage as agricultural relief, not merely as unemployment relief. Additional grants were available in 1928, but half the labour was obtained from employment exchanges in the depressed areas.<sup>3</sup> Following the Report of the Royal Commission on Land Drainage in 1927,<sup>4</sup> the Land Drainage Acts, 1930 were passed, principally to improve agricultural land, but also to help unemployment in the absence of insurance. Grants were made to Catchment Boards for arterial drainage, and under the 1935 Land Drainage (Scotland) Act

1. Report of Operations and Proceedings under the Land Drainage Act, 1930. (1937), pp.1-3, 31-33.

2. Ibid. pp.31-2; Final Report of the Inter-Departmental Committee on the relief of Unemployment, 1922, p.8.

3. Report of Operations and Proceedings under the Land Drainage Act, 1930, p.33.

4. Report of the Royal Commission on Land Drainage in England and Wales, 1927, Cmd. 2859, 1927.

and 1937 Agriculture Act further drainage grants were specifically designed to aid farming conditions. The beet sugar subsidy was introduced to maintain employment as well as to support arable rotations. Work was also available on aerodrome building in the 1930s.

The wages paid under these schemes were usually appropriate to those of the district and were higher than farm wages. Initially farm labourers comprised almost all the work force, although 75% were supposed to be ex-service men, but agricultural labourers made up a much smaller proportion of the workers from the mid-1930s.<sup>1</sup> Grants for drainage were extended right up to the war, but these occurred at a time of relatively full agricultural employment and the motivation lay in improving fertility for strategic reasons.

Except during the winters of the early 1920s, unemployment was highest in 1929-34. It was estimated at 5% in 1929, but was substantially increased, especially in arable districts, in the winters of 1931/2 and 1932/3. There was an improvement in 1933/4 although in that year regular workers were still affected.<sup>2</sup> The improvement was sustained although the accounts of the Insurance Fund showed unemployment amongst insured British farm labourers as 4.3% in 1937, 5.5% in 1938, and 4.2% in 1939, (with Scotland suffering higher rates than England, but not Wales).<sup>3</sup> The north also suffered more than the south at this time owing to the general regional employment prospects.

In addition to unemployment insurance, agricultural labour benefited from inclusion in the Widows, Orphans' and Old Age Pensions (Voluntary Contributions) Act, 1936. The Holidays with Pay Act, 1938 empowered Agricultural Wages Committees to provide holidays and holiday remuneration

1. Report of Operations and Proceedings under the Land Drainage Act, 1930, p.31.

2. MAF 47/19, Memo to Unemployment Insurance Statutory Committee on Unemployment Insurance for Agricultural Workers, 1934, pp.9 and 19. Figure is for England and Wales.

3. MAF 47/22, Appendices to Second, Third, and Fourth Reports of the Unemployment Fund (Agricultural Account), 1937-1939. National Unemployment was never below 10% in the inter-War years.

rates for up to seven days per annum, for workers for whom they prescribed minimum wage rates. However, unlike in other industries, only three of these might be taken consecutively. The Ministry felt that longer holidays would be strongly opposed by farmers as being impractical owing to the nature of farm work, and believed that many workers objected mostly to the lack of holidays because of the status differentiation with other workers.<sup>1</sup> However, not more than 40% of farm workers were eligible for such payments as no Wages Committee had fixed minimum rates for piece workers.<sup>2</sup> The Wages Committees had secured weekly half-day holidays for labourers in most areas, and made payments for public holidays in many districts before the Act.<sup>3</sup> By 1937 45 Committees had made provision for weekly half-day holidays, 42 allowed overtime rates on public holidays,<sup>4</sup> and by the war, 45 of the 47 Wages Committees had incorporated annual holiday directions.<sup>5</sup> The Act did not represent a significant advance in conditions compared with other workers, because the holiday benefits were more limited, did not cover all the labour force, and elsewhere annual holidays were becoming more widespread.<sup>6</sup>

#### Agricultural Labourers' Housing

A further reason for labourers leaving the land in the inter-war years was the shortage of cottages, the deplorable state of farm workers' accommodation, and the insecurity of occupation. The shortage was due to

1. MAF 47/40, Minutes of the Departmental Committee on Holidays with Pay, 17 June 1938.

2. MAF 47/23, Minutes of the Departmental Committee on the Position of Agricultural Workers Employed on Piece-Work for Long Periods, 21 June 1939.

3. Report of the Committee on Holidays with Pay, Cmd.5724, 1938, p.61.

4. Pedley, Labour on the Land, pp.48-50.

5. MAF 62/28, Annual Report of the Agricultural Wages Board, Year Ended 30th Sept. 1939.

6. MAF 47/60, Letter from General Secretary NUAW to Minister, June 1938.

farm workers being accustomed through necessity to paying rents much below those able to return a current rate of interest on building capital. Farm labourers could not pay as much as town labourers, and yet rural building and repairs cost more due to the isolated situation of most properties and the higher cost of materials in the countryside. At least until the mid-1930s the number of buildings falling out of occupation through dilapidation and clearance always exceeded the number of new ones built to take their place.<sup>1</sup> The problem was aggravated by the increasing volume of non-farming employment occurring in the countryside, especially with industrialization in the labour intensive farming areas of the midlands. There was an increase in demand for cottages from commuters, and for week-end cottages, and farm workers were unable to compete with these people and had to take the worst cottages or live on the farm. Old age pensioners were also occupying dwellings when formerly they might have lived with relatives or in Poor Law institutions.<sup>2</sup> Consequently farmers with cottages available were able to attract labour more easily, and in the 1920s there was an increase in the number of tied cottages in some areas. Farmers bought up village cottages previously let on free contract and thus tied them to farm service.<sup>3</sup>

The condition of most labourers' dwellings was continually reported as being extremely poor, cold, dilapidated, ill-ventilated with small windows, low ceilings, damp walls, and without adequate heating and sanitation, gas electricity, water or suitable gardens.<sup>4</sup> Many buildings fell into disrepair as district councils failed to persuade or compel owners to repair them, even though tenants were prepared to pay an increased rent for improvements.

1. Shears, J.T., 'Housing the Agricultural Labourer', JRASE, 1930, p.2.

2. MAF 47/3, The Economic Position of Agriculture, Pt.I, Employment, March 1938, p.18.

3. MAF 48/207, Tied Cottages, 18 Nov. 1929, p.1.

4. Astor & Rowntree, British Agriculture, p.318.

Where a cottage was rented to a worker by his employer, the rent was in effect limited under the Agricultural Wages (Regulation) Act, 1924, usually at 3s. per week, and numerous other rents were fixed under the Rent Restrictions Acts. However, the rents of decontrolled dwellings tended to rise steeply, especially near towns and resorts, where the occupants paid a greater part of their wages in rent.<sup>1</sup>

One major problem affecting the occupants of rented and tied cottages was security of tenure. Tied cottages were dwellings let direct to the farmer and sub-let to his employees, who were required to occupy them as a condition of employment. A special provision in the Rent Restrictions Act, 1923 allowed a landlord to obtain possession of a dwelling let by him without having to prove the existence of alternative accommodation, where the building was required for a necessary labourer. The original tenant, who might also be a farm labourer, was thus placed in his employer's hands in respect of accommodation.<sup>2</sup> With tied cottages especially, the occupant lost his housing with his job, so they were generally regarded as a factor which kept men in agriculture. These cottages were usually occupied by skilled and regular workers with secure employment, and were naturally found where the rural population was sparse and where there was an absence of alternative employment.<sup>3</sup>

Workers believed rightly, that the system of tied cottages interfered greatly with their freedom to ask for a rise in wages, repairs, or take a free part in elections and trade union work.<sup>4</sup> However, the landowning

1. MAF 47/3, Economic Position of Agriculture, p.19.

2. MAF 48/206, Brief for Deputation from TUC General Council, March 1926.

3. MAF 47/3, Economic Position of Agriculture, p.20.

4. Tied cottages were less resented in the north and in Scotland because long hirings allowed longer tenancies.

and farming interests claimed that tied cottages were essential to attract an adequate amount of labour, which was then able to live near the farm. As such cottages became more widespread in the 1920s, farm workers' organizations pressed for their abolition, and during the passage of the Housing (Agricultural Workers) Act, 1928 tried to ensure that alternative accommodation had to be provided in order to secure an eviction from a tied cottage. Farmers were able to reject this on the grounds that they would lose control of their work force and cottages.<sup>1</sup> The Ministry of Agriculture then came to believe that the tied cottage problem, and security of tenure generally, could only be tackled as part of the general rural housing problem through the provision of more accommodation. Because farm workers could not pay an economic rent the principle of state subsidies would have to be used.<sup>2</sup>

The actual number of cottages required in rural areas was a matter of debate, and ranged from the Land Enquiry Committee's estimate of 120 000 in 1913 to the Land Agent's Society's belief that 60 000 was an over-estimate.<sup>3</sup> Lord Astor maintained that 100 000 rural cottages were required, and that of 1m. rural working class houses, 60-70% were occupied by persons in agriculture.<sup>4</sup>

Responsibility for the national housing situation rested with the Ministry of Health, but in rural areas it had worked in close consultation with the Ministry of Agriculture. Prior to the Great War 97% of workers' dwellings were provided by private enterprise, but private building declined because it was uneconomic.<sup>5</sup> As a result legislation was introduced either to improve rural housing by offering grants and loans to individuals and

1. MAF 48/207, Tied Cottages, p.2.

2. Ibid. p.3.

3. Pedley, Labour on the Land, p.79.

4. Ibid..

5. Ibid. p.78.

public bodies to encourage higher standards, or by bringing pressure on local authorities to raise standards and condemn or repair buildings below that standard.<sup>1</sup>

It was soon found that provisions to assist in the building of new houses had little effect in rural areas and that special assistance was necessary. The Housing and Town Planning Act, 1919 ordered local authorities to consider their housing needs and submit schemes to the Local Government Board. It also established the principle of state subsidies for the retirement of loans for the building of working class dwellings to be let out at rents that their occupants could afford, and this principle was extended in the inter-war years. The general housing legislation was primarily urban in its impact and a number of special provisions or separate measures were conceived for rural housing. In December 1919 the Government laid aside £15m. for grants of up to £150. for each house built in 1920, when the cost of a cottage was £300-450. However, only 15 979 were built in rural areas.<sup>2</sup> There were increased state contributions for housing in the Housing, & c. Act, 1923, and further aid was provided by Wheatley's Housing (Financial Provisions) Act, 1924. This provided a £9. subsidy for forty years for houses built by local authorities or private enterprise for rent at the prevailing pre-War rates, and for the first time contained special provisions for increased payments for rural housing. A total of 66 947 houses were built in rural districts under this Act, and 30 114 were in agricultural parishes, of which one-third were let to agricultural labourers.<sup>3</sup>

However, the housing of agricultural labourers, except for the provision of houses by landowners for their own workers, was not generally ameliorated by private enterprise or by the rural district councils under

1. Ibid..

2. Ibid. p.79.

3. Ibid. p.80.

the 1919, 1923, or 1924 Acts.<sup>1</sup> An alternative approach to the rural housing problem was made through the Housing (Rural Workers) Act in 1926, which was subsequently extended to September 1942.<sup>2</sup> This was intended to keep rural labour on the land by providing grants of up to £100, or two-thirds of the cost of reconditioning old houses and converting other buildings into dwellings. These were to be let at the rent of the district plus 3% of costs. This was an intelligent attempt to provide cheap rented accommodation but initially it had a disappointing reception because lending rates were high in the 1920s.<sup>3</sup> The response was limited until the 1930s, and by 1939 18 482 houses were provided.<sup>4</sup>

The Housing Acts, 1930 were part of the policy expressed by Labour's 1924 Act, and also included special rural housing provisions. These enlisted the aid of the county councils by assigning to them the duty of keeping themselves informed of the rural situation and empowering them to assist rural district councils, and required that county councils pay £1 per annum towards the cost of houses provided for the agricultural population. The Act provided a 40-year Exchequer subsidy, and for the first time laid down building regulations for the ratio of bedrooms to occupants.

Further efforts were made to stimulate the building of houses in rural areas through the Housing (Rural Authorities) Act, 1931. This enabled additional Exchequer assistance from a 40-year grant on the recommendation of an Advisory Committee appointed under the Act, for the provision of houses to be rented to farm labourers at less than 6s. a week. However, owing to the financial crisis in 1931 the Cabinet ruled that "the policy in proceeding with the Rural Housing Act should be to go slow without actually suspending its operation", and the result was that although applications were received

1. Annual Report of the Ministry of Health, 1930/1, p.105.

2. Housing (Rural Workers) Act, 1931; Housing Act, 1935; Housing (Rural Workers) (Amendment) Act, 1938; The 1935 Act gave local authorities powers of compulsory purchase to put houses in order.

3. Shears, Op.Cit., pp.2-3.

4. Appendices to the Annual Reports of the Ministry of Health, 1926-7 to 1938-9.



for 7 229 houses, only 1 870 were considered.<sup>1</sup>

After a period of inactivity during the depression, local authorities were asked in 1933 to draw up a five year plan for the demolition of unfit houses and to take up the opportunities available for providing new housing. However, the response was slow, although it increased before 1939. In 1939 a campaign against overcrowding was inaugurated as attention was drawn to two existing unofficial reports containing information on the effects on morality and the spread of disease.<sup>2</sup> The 1936 Housing Act thus provided special facilities for rural district councils in the abatement of rural overcrowding and it consolidated legislation. On application to a Rural Housing Committee, a sum of £2-£8. was available for 40 years for houses built with a bathroom. The duty of local authorities to secure re-development was stressed, and powers were given to require the repair or demolition of insanitary houses and to make by-laws for drainage, cleanliness, water supply, closets, lighting etc.. County councils now had to be informed annually of conditions in each rural district council, and were given powers to act in place of a rural district council in default of its responsibilities. The Act instituted an overcrowding survey, which reported in July 1936,<sup>3</sup> and showed 2.9% of rural dwellings examined to be overcrowded.<sup>4</sup> This compared favourably with the national average of 3.8%, but agricultural labourers' families were larger than average and so the situation was accordingly much worse.<sup>5</sup>

The last expressions of the rural housing policy before the Second

1. CAB 23/68, Cabinet Meeting, 1 Sept. 1931, Conc. 1; Thirteenth Annual Report of the Ministry of Health, 1931/2, Cmd. 4113, 1932.

2. Liberal Land Committee, The Land and the Nation, (1925); Land Agents' Society, 'Facts About the Land', Report, 1916.

3. Ministry of Health, Report on the Over-Crowding Survey in England and Wales, 1936. (1936).

4. Eighteenth Annual Report of the Ministry of Health, 1936/7, Cmd. 5516, 1937, p.118.

5. Pedley, Labour on the Land, p.81.

World War were the Housing (Financial Provisions) Act, 1938 and the Housing (Agricultural Population) (Scotland) Act, 1938. The rural clauses were again motivated by the root problems of low rents and the still unsatisfactory cottage situation which added to the reluctance of workers to enter agriculture. As a consequence of the labour shortage the Rural Housing Sub-Committee of the Central Housing Advisory Committee was prompted to provide the generous subsidy of £10 per annum (£12 where costs were exceptionally high) for 40 years, on any house built for the agricultural population if let at 3s.-4s. a week.<sup>1</sup>

As a result of legislation and private enterprise 739 079 houses were built in rural areas between the Armistice and February 1938. Local authorities provided 133 746 subsidised dwellings and private enterprise 132 182, and unsupported private enterprise 473 151, at a total cost to the Treasury of about £40m.. However, only a small percentage of these were built in "agricultural parishes".<sup>2</sup> The number of farm labourers' cottages built was generally insufficient, for it was exceeded by the number of those falling out of occupation.<sup>3</sup> Of an estimated 500 000 cottages occupied by agricultural workers in 1936/7, 200 000 were tied cottages, 50 000 were council houses, and 250 000 were ordinary private houses, and it was held that 25 000 more were needed to relieve overcrowding and 30 000 were needed to replace insanitary dwellings.<sup>4</sup> A resolution at the 1936 Conference of the NUAW called for 100 000 standard cottages for agricultural workers, and there was a large demand generally for houses with modern amenities, which

1. Nineteenth Annual Report of the Ministry of Health, 1937/8, Cmd. 5801, 1938, p.112.

2. Pedley, Labour on the Land, p.82.

3. Second Report of the Rural Housing Sub-Committee of the Central Housing Advisory Committee, 1937, p.6; Shears, 'Housing the Rural Worker', p.2.

4. Report of the Inter-Departmental Committee on the Rent Restrictions Acts, 1937, Cmd. 5621, 1937.

had no relation to shortages and other needs.<sup>1</sup> Consequently state supported and private building since the Great War had by the late 1930s reduced by half the estimated number of additional cottages required, although part of this improvement was a result of rural emigration. Agricultural labourers remained one of the worst housed sections of the work-force, for while a greater percentage of their housing was new or much improved the old deficiencies remained.

#### Agricultural Workers' Unions

Agricultural workers never attained the unity of organization which existed among farmers, and the membership of farm labour unions fluctuated according to the state of the industry.<sup>2</sup> The growth in membership was checked by the War, but improving conditions raised the membership to 19% of regular workers in 1921. The subsequent rapid fall to 1926 followed the depressed state of the industry and the failure of the unions to prevent incomes falling after wages regulation was ended. Once the unions were recognized in the wages machinery after 1924, the proportion of unionized regular workers rose to 5% until 1935, and it rose further thereafter.<sup>3</sup> The best men might have left the unions for the towns, but it was estimated that one-third of all agricultural labourers were union members at some point in the period.<sup>4</sup>

1. Pedley, Labour on the Land, p.84.

2. Table AW.III. In 1920 there were 13 agricultural workers' unions in Britain, only 4 by the end of 1923, and 2 in 1926. The principal farm labour union was the National Union of Agricultural Workers, formed in 1920. The General Workers' Union, later the Workers' Union, had an Agricultural Section and became the Transport and General Workers' Union in 1929. The Agricultural Section was later joined by the Scottish Farm Servant's Union. Although this organization was strong and well financed, the agricultural interest was often overlooked. The other major union was the Land Worker's Union.

3. Table AW.III.

4. Pedley, Labour on the Land, p.137.

The principal union, the National Union of Agricultural Workers, made steady progress except in the depression, and had 110 000 members in 1920, 24 000 in 1924, and 35 000 in 1 197 branches in 1939.<sup>1</sup> It was most active in Norfolk, Lincolnshire, Yorkshire, and Dorset, where arable land provided the greatest density of workers; where there was a strong tradition of farm unionization; and where there were Liberal and Non-conformist links. It was weakest in smallholding areas and where men were employed singly. The work of the Union was extensive, but was concentrated on wage levels and arrears, conditions of work, and legal questions, and gave little attention to the state of the industry. However, farm workers were never in a strong position, even when labour was short in the 1930s, and the government consulted the unions only on the details of its labour policies.

There were many reasons why unity was not attained. Farmers were strongly opposed to combination and were able to victimize union men by refusing them employment or housing.<sup>2</sup> Leadership was a problem as many of the more able workers left the industry or became smallholders. Agriculture was a scattered occupation and its workers did not meet regularly, rarely worked in large groups except in certain seasonal employment, and the organization and attendance at meetings was difficult because of the irregular and late hours worked and the distances involved. Union membership charges were comparatively high because of the scattered membership and because farm wages were low. Agricultural workers were in great ignorance

1. Ibid. p.140.

2. The NFU resolutely opposed measures designed to improve the labourers' condition usually because they were thought to be at the farmers' expense or would infringe the rights he had over his workers. Strong opposition was made to the clause giving statutory support to Conciliation Committee decisions, and to the reconstruction of wage regulation in 1924. In 1926, and in 1935, unemployment insurance proposals were condemned and holidays with pay legislation was opposed. Only with labour shortages did the NFU become more amenable to suggestions for improving conditions.

of the value of trade unionism, many older men were apparently satisfied with their conditions, and a large number apparently knew nothing of the wage regulation machinery or work of the union.<sup>1</sup>

### The Changing Conditions of Farm Labourers

As a result of legislation, rising labour efficiency, and continued migration from agriculture, farm workers' living and working conditions were much improved between the wars. Pay and earnings rose relative to other workers' incomes although they still remained low. The hours of the basic working week fell to become more in line with those in the rest of the economy, but long overtime was still required and holiday benefits were much less favourable. Unlike the other staple industries, unemployment was not a serious problem except in depression and some winters, but insurance schemes did not cover agriculture until 1936. Rural life was improved as a consequence of housing measures and general trends which brought the benefits of urban living to the countryside. However, the comparatively low economic and social status of farm labourers meant that migration into other employment was the strongest and most consistent trend exhibited by the farm work-force.

Government policies basically ensured that farmers paid the highest wages that they could afford, and encompassed farm labourers in general welfare reforms, although often with special provisions as a result of their low incomes. However, farm workers were for the most part a very low priority for the government, and little was given above what agriculture, as represented by farmers, could afford or would allow. The conditions of farm labour were greatly improved, but the improvements were insufficient to offset the advantages of workers in other industries, and the best men continued to migrate away from the land.

1. Pedley, Labour on the Land, p.138.

Table AW.1

Numbers of Workers Employed in Agriculture in Great Britain on 4 June, 1921 to 1939.

Year	ENGLAND AND WALES <sup>1</sup>										SCOTLAND <sup>2</sup>						GREAT BRITAIN TOTAL					
	REGULAR					CASUAL					TOTAL		REGULAR		CASUAL		TOTAL					
	MALES OVER 21	MALES UNDER 21	FEMALES OVER 21	FEMALES UNDER 21	TOTAL	MALES OVER 21	MALES UNDER 21	FEMALES OVER 21	FEMALES UNDER 21	TOTAL	MALES OVER 21	MALES UNDER 21	FEMALES OVER 21	FEMALES UNDER 21	TOTAL	MALES OVER 21	MALES UNDER 21	FEMALES OVER 21	FEMALES UNDER 21	TOTAL		
1921	456 783	155 289	73 180	103 994	27 159	52 678	201 044	68 139	269 183	58 812	23 287	21 772	7 729	3 815	11 483	58 812	23 287	21 772	7 729	3 815	126 898	996 081
1922										58 651	22 923	20 812	7 239	11 099	124 616	58 651	22 923	20 812	7 239	11 099		
1923	426 925	138 898	59 477	79 099	26 990	42 998	713 129	59 258	772 387	57 561	22 879	20 293	6 742	3 283	9 766	57 561	22 879	20 293	6 742	3 283	120 024	892 411
1924	441 491	140 772	62 276	88 533	26 461	46 930	742 373	63 090	806 463	58 014	22 073	20 098	5 801	2 958	8 398	58 014	22 073	20 098	5 801	2 958	117 342	923 805
1925	441 944	137 459	59 940	90 270	23 878	49 237	742 156	61 182	803 338	54 750	22 876	19 619	7 276	3 188	9 333	54 750	22 876	19 619	7 276	3 188	122 062	925 400
1926	455 904	135 508	62 949	79 193	19 738	41 607	732 535	62 264	794 899	60 803	22 483	19 692	8 534	4 434	10 149	60 803	22 483	19 692	8 534	4 434	126 098	920 197
1927	452 835	134 238	62 629	67 078	18 034	39 635	711 604	62 845	774 449	59 826	22 273	19 486	5 859	3 379	8 452	59 826	22 273	19 486	5 859	3 379	119 275	893 724
1928	454 151	129 033	67 418	75 535	11 418	35 270	708 864	63 961	772 825	59 391	21 709	18 957	6 140	3 181	7 416	59 391	21 709	18 957	6 140	3 181	117 300	890 125
1929	451 197	125 277	67 004	79 619	11 278	35 378	705 731	64 521	770 252	60 603	21 471	19 009	6 136	3 335	7 430	60 603	21 471	19 009	6 136	3 335	118 034	888 286
1930	445 702	118 804	66 337	69 783	10 453	31 606	678 641	63 055	741 696	60 037	20 678	18 582	6 023	2 972	7 216	60 037	20 678	18 582	6 023	2 972	115 508	857 264
1931	437 983	116 915	64 409	62 255	9 347	28 698	654 120	62 487	716 607	59 226	20 144	18 060	5 355	2 848	6 833	59 226	20 144	18 060	5 355	2 848	112 456	829 073
1932	419 649	115 689	62 314	64 692	9 317	25 814	636 121	61 120	697 241	58 377	19 201	18 051	5 393	2 737	6 298	58 377	19 201	18 051	5 393	2 737	111 287	808 498
1933	422 549	113 589	59 603	73 531	10 274	30 380	658 456	57 090	715 546	57 028	19 228	17 807	6 998	3 789	5 615	57 028	19 228	17 807	6 998	3 789	112 465	828 011
1934	415 472	107 111	53 225	72 425	9 245	30 474	634 446	53 526	687 972	59 166	19 567	18 537	6 329	2 995	6 180	59 166	19 567	18 537	6 329	2 995	113 274	801 246
1935	413 051	104 740	50 070	67 797	9 220	28 325	620 217	52 836	673 203	60 118	19 633	17 316	6 325	2 978	6 093	60 118	19 633	17 316	6 325	2 978	113 463	736 666
1936	401 526	100 677	44 601	57 902	7 997	27 830	592 310	47 763	640 073	59 707	19 909	16 430	6 370	2 787	5 414	59 707	19 909	16 430	6 370	2 787	110 617	751 190
1937	395 206	96 552	46 217	58 013	7 300	30 369	584 269	46 683	631 657	59 419	19 250	16 244	7 138	2 750	5 954	59 419	19 250	16 244	7 138	2 750	110 755	742 412
1938	381 188	90 191	41 536	47 382	6 201	25 493	549 173	43 945	593 123	57 574	18 337	15 007	6 029	2 164	5 179	57 574	18 337	15 007	6 029	2 164	104 430	697 553
1939	375 304	85 503	40 324	47 382	5 918	32 698	564 486	42 623	607 129	56 674	18 617	14 319	6 712	1 916	5 835	56 674	18 617	14 319	6 712	1 916	104 133	711 262

1. Agricultural statistics.

2. Statistical Abstract.

Figures are mid-year statistics and tend to under-count seasonal and casual workers. See also Table FI.

Table AW.II

Wage Rates and Basic Hours in Agriculture and Comparable Occupations in Great Britain, 1911-13 to 1938/9.<sup>1</sup>

YEAR	AGRICULTURAL WAGES IN ENGLAND AND WALES							SCOTTISH AGRIC. WAGES.	WAGES IN COMPARABLE OCCUPATIONS. (PELEMGER)												
	MINIMUM WEEKLY WAGE FOR BASIC HOURS		AVERAGE WEEKLY EARNINGS		WEEKLY WAGES OF STOCKMEN		WEEKLY WAGES OF HORSEMEN		BASIC HOURS PER WEEK.	RATE OF PAY PER HOUR.	REAL WEEKLY MINIMUM WAGE (1911-13 = 100)	AGRIC.	BUILDING LABOURERS (AVERAGE 44 HOURS)	ENGINEERS LABOURERS (AVERAGE 47 HOURS)	RAILWAY PERMANENT WAY LABOURERS	LOCAL AUTHORITY LABOURERS					
	s.	d.	s.	d.	s.	d.	s.		d.	Hours.	d.	(1911-13 = 100)	s.	d.	s.	d.	s.	d.			
1911-13	17	3	-	-	-	-	-	-	57.2	3.7	100.0	-	-	-	-	-	-				
1914 (July)	18	0	-	-	-	-	-	-	58.0	3.7	101.9	-	27	0	22	10	22	0	26	9	
1914/15																					
1915/16																					
1916/17																					
1917/18	25	5	-	-	-	-	-	-	57.5	5.3	67.9	-									
1918/19	32	2	-	-	-	-	-	-	52.0	7.4	73.9	-									
1919/20	39	1½	-	-	-	-	-	-	49.5	9.5	87.1	-									
1920/21	46	10½	-	-	-	-	-	-	49.3	11.4	102.7	-									
1921/2	34	8	-	-	-	-	-	-	49.8	8.4	93.5	-									
1922/3	28	4	-	-	-	-	-	-	50.8	6.7	89.1	-									
1923/4	27	11	-	-	-	-	-	-	50.8	6.6	89.3	-									
1924/5	29	10	-	-	-	-	-	-	50.9	7.0	93.2	33	0½	55	6	40	1	49	0	53	0
1925/6	31	4	-	-	-	-	-	-	50.2	7.5	100.3	32	8½	55	3	40	1	50	0	53	0
1926/7	31	5	-	-	-	-	-	-	50.5	7.5	102.6	32	4½	55	10	40	1	49	0	53	3
1927/8	31	4	-	-	-	-	-	-	50.7	7.4	104.7	31	9	55	11	41	3	48	0	52	7
1928/9	31	7	33	4	38	6	36	9	50.8	7.5	106.5	31	4½	54	3	41	11	46	10	52	5
1929/30	31	10	33	8	39	1	37	5	50.6	7.5	112.6	31	1	54	1	41	11	45	10	52	5
1930/1	31	9	33	11	39	5	37	4	50.3	7.6	113.5	30	9	52	7	42	1	46	0	52	6
1931/2	31	5½	33	4	38	11	37	3	50.8	7.4	129.7			51	10	42	1	42	10	51	9
1932/3	31	0	32	8	38	6	36	6	51.1	7.3	133.1	30	5	50	2	42	1	42	10	50	8
1933/4	30	8	32	7	38	9	36	7	50.8	7.2	130.9			49	2	42	1	42	10	50	10
1934/5	31	5	33	2	38	10	36	9	50.4	7.5	130.8	28	5	49	4	42	1	43	0	51	7
1935/6	32	0½	34	7	39	8	37	4	50.5	7.6	132.0	29	1	50	6	43	9	43	0	51	10
1936/7	32	9	35	3	40	10	38	4	50.3	7.8	129.1	29	9	52	2	46	8	43	6	52	8
1937/8	34	1½							50.2	8.2	131.9	32	4½	53	3	49	10	47	0	54	4
1938/9	34	8							50.3	8.3	134.7	33	4½	55	1	50	4	47	0	55	8

1. 'The Farmers' Statistical Abstract', NFU Year Books; Pedley, Labour on the Land, pp. 38 and 64; Abstract of British Labour Statistics, 1886-1968, (1971), pp. 40-1, 28-9, 32-3.

Table AW.III

Cash, Real, and Relative Incomes of Farm Labourers in Great Britain, and Membership of Agricultural Trade Unions, 1911-13 to 1939.<sup>1</sup>

YEAR	ANNUAL INCOMES OF AGRICULTURAL WORKERS.		ANNUAL INCOMES OF FARM WORKERS AS A PERCENTAGE OF AVERAGE U.K. EARNINGS.		WORKING CLASS COST OF LIVING INDEX (1911-13 = 100)	INDEX OF REAL ANNUAL EARNINGS OF AGRICULTURAL WORKERS.		NUMBERS OF WORKERS IN AGRICULTURAL, HORTICULTURAL & C. UNIONS AT END OF YEAR.			TOTAL MEMBERSHIP AS A PER CENTAGE OF REAL ANNUAL FARM WORKERS %.	NUMBER OF SPECIALIST AGRIC. UNIONS.
	ENGLAND AND WALES	SCOTLAND	ENGLAND AND WALES	SCOTLAND		ENGLAND AND WALES	SCOTLAND	MALES	FEMALES	TOTAL		
	£.	£.	%.	%.		(1911-13 = 100)	(1911-13 = 100)					
1911-13	44.4	-	60.7	-	100.0	100.0	-	-	-	-	-	-
1913	-	-	-	-	102.4	-	-	20 292	503	20 795	-	-
1914	45.3	-	60.2	-	103.4	98.6	-	31 637	472	32 109	-	-
1915	-	-	-	-	123.9	-	-	20 385	462	20 847	-	-
1916	-	-	-	-	146.4	-	-	23 052	359	23 411	-	-
1917	-	-	-	-	177.1	-	-	49 432	1 697	51 129	-	-
1918	-	-	-	-	203.8	-	-	114 648	2 073	116 721	-	-
1919	-	-	-	-	216.0	-	-	190 052	3 397	193 459	-	-
1920	103.9	108.4	54.1	56.5	249.8	93.6	91.1	207 340	3 144	210 484	-	-
1921	109.3	110.6	59.8	60.3	227.3	108.8	102.2	146 943	2 211	149 154	18.9	-
1922	77.6	82.6	50.6	53.8	183.3	95.3	94.6	91 329	1 502	92 831	-	4
1923	69.6	77.8	48.3	54.0	175.1	89.5	93.2	78 447	1 337	79 784	10.9	4
1924	69.7	82.5	47.9	56.7	176.1	89.1	98.4	40 448	1 045	41 493	8.3	3
1925	77.7	81.7	53.0	55.8	177.1	93.8	96.9	46 449	1 113	47 562	6.4	3
1926	79.9	80.9	55.1	55.8	173.0	104.0	98.2	38 341	792	39 133	5.2	2
1927	79.9	79.1	54.7	54.1	167.9	107.1	98.9	35 016	708	35 724	4.8	2
1928	80.3	77.8	55.4	55.1	166.8	108.4	100.4	35 354	622	35 976	4.8	3
1929	80.5	79.0	55.4	54.4	164.8	110.0	100.6	34 256	533	34 789	4.7	3
1930	81.1	78.1	56.0	53.9	158.7	115.1	103.3	34 702	441	35 143	4.8	3
1931	81.1	77.3	56.8	54.1	148.6	122.9	109.2	34 597	444	34 541	4.8	3
1932	80.5	76.3	57.3	54.3	144.4	125.5	110.9	32 242	275	32 517	4.7	3
1933	79.2	72.5	56.7	51.9	140.3	127.1	108.5	30 463	153	30 616	4.4	2
1934	79.5	71.1	56.3	50.4	141.3	126.7	105.6	30 900	143	31 043	4.6	2
1935	81.0	71.7	56.6	50.1	143.3	127.3	105.1	31 234	240	31 474	4.7	1
1936	84.7	73.5	52.1	50.4	147.4	129.4	104.7	33 135	400	33 535	5.0	1
1937	86.0	77.9	57.9	52.4	155.6	124.5	105.1	40 247	520	40 767	6.5	1
1938	92.3	84.1	60.2	54.9	156.7	132.6	112.6	-	-	-	-	-
1939	-	-	-	-	161.8	-	-	-	-	-	-	-

1. Chapman and Knight, Wages and Salaries in the UK, 1920-58, p. 59; Annual Reports of the Ministry of Labour; Eighteenth to Twenty Second Abstracts of Labour Statistics; Table A.V.; Feinstein, National Income, Expenditure, and Output of the UK, p. T140.



Table AW.IV

Salary and Wage Payments by Main Industrial Groups in the UK, 1920-38 (£)

*1 i.e. per head employed*

	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	
<b>Agriculture and forestry:</b>																				
Wages	101.6	106.7	76.4	68.7	69.4	75.4	77.1	77.1	77.3	77.3	77.2	77.2	76.9	75.3	75.2	76.7	79.9	81.8	87.8	
Fishings	770.8	641.0	555.6	543.5	658.7	608.7	565.2	597.0	597.0	638.3	500.0	416.7	380.0	380.0	451.0	461.5	480.8	500.0	510.2	
Salaries	211.8	164.9	147.1	142.3	161.1	157.3	149.6	150.9	158.5	167.0	163.8	155.9	151.9	194.0	159.3	165.1	169.9	174.9	181.3	
Wages	332.1	313.0	238.1	244.4	239.7	239.5	241.5	240.7	239.9	239.9	240.9	241.7	243.9	242.7	241.7	240.6	242.0	243.4	242.4	
Salaries	249.6	203.4	148.6	142.6	157.5	155.6	130.9	150.5	139.2	138.3	139.4	140.7	141.5	140.3	140.1	140.3	161.0	158.4	167.5	
Wages	267.6	259.3	234.5	223.0	233.4	222.4	221.5	220.5	220.5	219.5	218.9	217.7	217.3	217.8	217.8	217.7	220.0	221.7	224.5	
Salaries	170.9	161.8	129.3	117.4	118.0	119.3	119.1	119.5	119.1	120.0	118.2	115.6	113.7	113.4	115.5	117.4	119.7	123.5	128.1	
Wages	298.0	281.4	244.7	231.3	235.4	234.2	234.1	234.3	234.0	233.7	234.4	229.9	223.6	224.2	225.6	228.3	230.0	230.8	231.8	
Salaries	217.7	201.5	157.2	143.2	147.6	151.2	152.1	151.7	149.5	149.7	150.2	146.3	141.8	139.6	139.7	142.6	143.8	146.9	149.8	
Wages	328.8	312.7	303.0	293.6	279.5	276.0	282.5	281.8	278.3	278.0	262.1	250.5	254.2	259.6	259.0	265.5	264.6	262.0	259.2	
Salaries	235.5	215.3	186.6	172.7	174.6	178.2	177.2	179.4	179.1	175.6	174.6	168.9	164.1	164.5	165.2	168.0	169.4	169.3	177.6	
Wages	272.8	267.7	251.8	240.9	240.5	241.5	238.2	244.0	243.8	243.0	245.7	245.8	238.7	240.4	241.0	243.4	246.1	247.4	248.2	
Salaries	212.8	210.6	188.6	175.4	178.4	178.6	171.2	177.3	175.7	176.7	174.4	168.9	165.4	164.3	166.9	169.4	173.8	176.0	178.4	
Wages	162.1	156.8	135.5	130.1	130.8	130.8	130.8	130.8	130.9	130.9	130.9	130.6	129.8	129.8	129.9	130.0	130.4	132.1	133.5	
Salaries	143.2	142.1	126.3	116.2	113.9	113.8	114.0	114.6	114.5	114.4	114.5	115.0	116.2	117.4	118.7	120.9	124.2	126.6	130.5	
Wages	418.8	406.1	352.4	338.5	340.6	340.4	340.7	341.7	343.1	343.1	338.5	330.3	326.3	326.3	326.8	326.7	327.8	327.8	328.4	
Salaries	115.0	118.9	85.1	75.9	79.0	78.6	78.2	79.5	78.5	77.3	76.6	76.6	75.3	72.8	74.4	75.0	75.6	79.4	80.4	
Wages	270.5	277.3	271.9	232.5	266.9	273.7	279.4	283.6	288.1	288.5	281.0	276.9	271.2	271.6	276.1	275.5	280.3	279.3	283.0	
Salaries	210.0	203.5	207.9	202.6	198.9	193.7	192.0	193.3	190.4	192.7	194.8	189.7	183.8	179.1	184.9	188.3	189.1	189.5	191.4	
Wages	309.3	307.3	286.9	274.9	276.7	281.8	283.8	286.0	287.5	291.1	296.1	297.4	293.1	292.3	298.7	308.2	314.1	317.6	319.2	
Salaries	173.4	170.5	146.1	128.9	125.6	128.4	129.2	128.2	126.8	126.8	127.0	126.1	124.4	123.0	124.1	124.2	125.9	129.1	133.6	
Wages	249.1	257.4	246.3	243.7	244.3	244.0	244.5	244.0	242.3	243.6	244.6	239.5	233.5	232.0	235.7	241.7	246.1	248.2	249.4	
Salaries	144.5	137.2	105.9	97.7	99.8	100.2	99.9	98.9	97.1	96.9	95.2	92.8	91.0	89.4	89.4	90.7	92.4	96.7	98.7	
Wages	312.4	205.7	177.4	170.5	169.2	162.8	168.5	169.9	168.2	168.8	167.5	167.1	166.2	166.6	167.7	168.7	171.1	172.7	174.4	
Salaries	152.4	145.4	113.1	104.3	105.6	106.7	106.2	104.8	103.7	107.7	101.5	98.6	96.7	95.4	95.6	96.5	98.7	99.2	105.1	
Wages	344.1	241.3	219.6	212.1	213.5	212.7	211.9	211.7	210.4	210.0	209.3	206.2	202.8	202.7	204.2	206.3	202.4	210.0	212.0	
Salaries	172.2	165.1	132.1	122.6	124.3	125.4	122.3	124.7	123.1	123.4	122.4	119.9	117.6	116.7	118.1	120.0	123.1	126.3	131.1	
Wages	210.0	203.5	201.9	202.6	198.9	193.7	192.0	193.3	190.4	192.7	194.8	189.7	183.8	179.1	184.9	188.3	189.1	189.5	191.4	
Salaries	192.0	183.5	153.5	144.2	145.6	146.5	145.0	146.1	144.9	145.2	144.9	142.8	140.5	139.7	141.1	143.1	145.6	148.6	153.1	
Wages	192.0	183.5	153.5	144.2	145.6	146.5	145.0	146.1	144.9	145.2	144.9	142.8	140.5	139.7	141.1	143.1	145.6	148.6	153.1	
Employee earnings excluding directors' fees																				

1. Chapman, Agatha, and Knight, Rose, Wages and Salaries in the United Kingdom, 1920-1938, (Cambridge, 1953), pp. 18 and 22.

Table AW.V

Regional Wage Rates, Minimum Hours, and Percentage Decline in the Agricultural Work Force in Great Britain, 1920-38.<sup>1</sup>

PERIOD	NORTH WEST		NORTH EAST		WEST MIDLANDS		EAST MIDLANDS		SOUTH WEST		SOUTH EAST		EASTERN		WALES		NORTH SCOTLAND		SOUTH SCOTLAND	
	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	s. d. Hours	
APR. 1920	48 1/2	45 6	46 3	44 2	44 2	44 2	44 10 1/2	44 9	45 3 1/2											
DEC 1920		49 5		46 1	46 6	46 0	47 0	46 2	46 1	46 8	36 9	42 1								
Summer 1920		50		50	50	50	50	50	50	50										
Winter 1920		48		48	48	48	48	48	48	48										
1924	32 4	30 1	30 5 1/2	27 3 1/2	28 6	28 11	27 8	28 1 1/2	30 2 1/2											
1925	34 5	32 9	33 4	30 6	31 7 1/2	31 2 1/2	31 7	32 1 1/2	31 1 1/2											
JAN 1926		34 2		30 8	33 7 1/2	31 1	31 5 1/2	29 0 1/2	30 4	31 6 1/2										
Summer 1926		53		53	53	51	51	50	50	53										
Winter 1926		51		50	52	51	49	48	48	51										
JAN 1928		33 8		30 10	33 10 1/2	31 1	31 9	30 0	30 5	31 8 1/2										
Summer 1928		53		52	53	51	51	50	50	53										
Winter 1928		51		50	52	50	49	48	48	51										
DEC 1930		33 7 1/2		30 10	33 8	31 4	31 9	30 0	30 5	31 4 1/2										
Summer 1930		53		52	53	51	51	50	50	53										
Winter 1930		51		50	52	50	49	48	48	51										
1931	32 1 1/2	32 10	33 5	30 10 1/2	31 5	31 8	31 7	32 6	30 10 1/2											
DEC 1933		31 4		29 9	31 11	30 6	31 0	29 4	30 1	30 1 1/2										
Summer 1933		53		53	54	52	51	51	51	53										
Winter 1933		51		50	52	50	49	48	48	51										
Dec. 1934		33 3		31 9	33 7 1/2	32 0	32 9	32 2	32 4	31 1										
Summer 1934		53		52	53	51	51	50	50	52										
Winter 1934		51		50	52	50	49	48	48	51										
1937	34 1 1/2	33 11	35 11 1/2	33 9	34 11 1/2	34 2	34 5 1/2	35 0	32 9											
DEC. 1938																		32 1 1/2	33 11	
Summer 1938																		51	51	
Winter 1938																		45	44	

Percentage Decline in the Agricultural Work Force.

	%	%	%	%	%	%	%	%	%	%
1921-38	31.5	29.2	20.5	37.8	43.8	35.7	33.6	25.6	35.7	17.9

1. Standard Time Rates of Wages and Hours of Labour in the UK, Cmd. 1253, 1921; Eighteenth to Twenty Second Abstracts of Labour Statistics of the UK, 1926 to 1922-56; Twenty Seventh Report of the Dept. of Agriculture for Scotland, 1938, Cmd. 5963, 1939; Pedley, Labour on the Land, p. 4.

Table AW.VI

Weekly Rates of Contributions and Benefits under the Agricultural Insurance Scheme, 1936.

YEARS OF AGE	RATES ORIGINALLY RECOMMENDED BY THE UNEMPLOYMENT INSURANCE STATUTORY COMMITTEE.		RATES SPECIFIED IN THE UN-EMPLOYMENT INSURANCE (AGRICULTURE) ACT, 1936 (OPERATIVE FROM 5 NOV. 1936)		UNEMPLOYMENT INSURANCE (ADDITIONAL BENEFITS AND REDUCTION IN CONTRIBUTIONS) (AGRICULTURE) ORDER, 1938. (OPERATIVE FROM 4 JULY 1938)		INCREASE OF BENEFITS AND REDUCTION IN CONTRIBUTIONS (AGRICULTURE) ORDER, 1939. (OPERATIVE FROM 3 JULY 1939.)		GENERAL INSURANCE SCHEME RATES IN 1936.		GENERAL INSURANCE SCHEME RATES FROM NOVEMBER 1938.	
	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.

Rates of Contribution Payable Weekly by Employers and Workers.

21 AND OVER	4	3½	4½	4	4	3½	3	2½	10	9	9	8
18-20	3½	3	4	3½	3½	3	2½	2	9	8	8	7
16-17	2	1½	2	1½	2	1½	2	1½	5	4½	5	4½
14-15	1½	1	1½	1	1½	1	1½	1	2	2	2	2

Rates of Benefit Available Weekly to Workers and Dependents.

i) Workers.

21 AND OVER	12	0	10	6	14	0	12	6	14	0	12	6	15	0	13	0	17	0	15	0	17	0	15	0
18-20	9	6	3	0	10	6	9	6	12	0	9	6	13	0	10	0	14	0	12	0	14	0	12	0
16-17	6	0	5	0	6	0	5	0	6	0	5	0	7	6	6	0	9	0	7	6	9	0	7	6
14-15	4	0	3	6	4	0	3	6	4	0	3	6	5	0	4	0	6	0	5	0	6	0	5	0

ii) Dependents.

ADULT 6s. 6d. CHILD 2s. each or 3s. for the first then 2s. 6d.	ADULT 7s. CHILD 3s. each	NOT CHANGED	FROM 30 MARCH 1939. ADULT 9s. CHILD 3s. each.	ADULT 9s. CHILD 3s. each.	ADULT 10s. CHILD 3s. each.
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The maximum benefit payable to a man and his family was 30s. for agriculture until 30 March 1939 when it was raised to 33s.. From this date the waiting period was reduced from six to three days as had already been done in the general scheme.

PART IV

SUMMARY AND CONCLUSIONS.

SUMMARY AND CONCLUSIONSSummary

Prior to the First World War government interest in agricultural matters was increasing, but no comprehensive agricultural policy had been developed by 1914. This emerged as a result of the War, although the government ~~only~~ became fully committed to a farming policy <sup>only</sup> during the depression of 1929-33. Government intervention in agriculture between 1917 and 1939 occurred in five phases. First, during the Great War it was concerned with increasing food production in order to meet wartime needs. Second, as a result of the changes and experiences of the War there emerged a policy of agricultural expansion, actively supported by price guarantees, which lasted until 1921. Third, while this approach was maintained during the 1920s, and some important measures of agricultural assistance were enacted, there was a general reduction in the level of government involvement in the economy and a desire to return to 'normal peacetime conditions'. Fourth, the intense depression of 1929-33 caused the government to introduce a system of farm subsidies and agricultural protection in response to what it considered to be a temporary but severe reduction in farm incomes. Finally, the government came to the conclusion that agriculture's problems were not merely temporary, and began to develop a more effective long-term strategy based on subsidies, import protection, and domestic reorganization. By 1939 every sector of British agriculture benefited in some way from government policy.

The experiences of farmers, landlords, and labourers in the inter-war years departed little from their long-term trends, governed by the diminishing role of the farming sector in a mature industrial economy. Landlords were of declining economic and political importance in agriculture, and many sold their estates in the years immediately following the Great War. Farmers' fortunes fluctuated in relation to market conditions. Farm incomes rose rapidly in the Great War and fell steeply after 1920. They remained at a low level until the late 1920s and then fell sharply again in the

Slump. Thereafter, government intervention, some reorganization of farming systems, the general rise in the price level, and the increase in consumer purchasing power, brought farm incomes to their highest levels since the Great War. Throughout the inter-war years farm labourers remained disadvantaged members of the national work-force. Although their situation was improved by government intervention in wages and housing, their condition was still much below the national average in these respects at the end of the period, and great numbers of men continued to leave the land for alternative employment. Agriculture in the inter-war years was unable to offer economic opportunities comparable with other sectors of the economy.

### Conclusions

The politically acceptable level and effectiveness of government intervention in the workings of an economy remain a matter for debate. The extent to which the government supported domestic agriculture, and the effects of government intervention upon agricultural enterprise in the inter-war years are difficult to quantify, and this thesis has been less concerned with these questions than with the aims and formulation of policy, the business of farming, and the experiences of the agricultural community. However, it is intended to provide here some tentative conclusions concerning the effects and success of government policy, and the record of agriculture, in the period under discussion.

In order to determine the effectiveness of agricultural policy it is necessary to examine its results in relation to its stated aims and to pronounce judgement upon those aims. Government agricultural policy had different intentions at different times during the period 1917 to 1939. During the First World War policy was directed towards securing the maximum possible output of energy-giving foods through an expansion of arable production and the more efficient utilization of all food supplies. This allowed more shipping space to be devoted to munitions and raw materials required for the War, and also to meat, which provided proteins and minerals in a concentrated form. Although domestic agricultural production and food

imports were both reduced during 1914-18, the more efficient distribution and utilization of the available supplies came close to maintaining pre-War levels of food consumption. While rationing was introduced for some items, there were no serious food shortages in Great Britain during the First World War.

As a result of the changes brought about by the food production campaigns of 1917 and 1918, the government was left with a responsibility for the welfare of agriculture in peacetime. It stated that farming was owed assistance because it had formerly been neglected and because of its importance during the War. The government embarked upon a policy intended to expand domestic agricultural production, especially arable farming, in order to effect a saving on the import bill, to maintain the size of the rural population, and for reasons of national security. To help achieve these objectives it provided for the continuation of guaranteed cereal prices with the Agriculture Act, 1920.

The policy of agricultural expansion was not appropriate to an industrial and trading nation such as Great Britain. Such a policy, designed to save expenditure upon imports, could have been damaging to the export sector, to the balance of trade, and to employment, in a country whose income was strongly related to overseas trade. If the purchasing power of Britain's overseas customers was reduced, the export industries would be adversely affected and their products made more expensive as domestic food prices and wages rose. Any consequent unemployment would have supplemented the high levels that existed in the inter-war years. Agriculture could not have offered a comparable gain in employment, and its opportunities for expansion were more limited. The maintenance of a rural population was not vital for the national standards of health, as was argued. This could be better achieved through the provision of improved housing and welfare services. The mere existence of a rural population could not help to maintain health standards so long as it continued to be paid, fed, and housed, at a level below the national average. Although considerations of national defence were a part of the government's arguments for extending

agriculture, there was little likelihood of a war in Europe in 1920, and this possibility had diminished in importance by the late 1920s.

The government rightly saw intensive arable stock farming systems as being the most productive of food, capable of employing the most labour, and apparently most suited to its aims of reducing the import bill and maintaining the rural population. It did not realize that these systems required a high level of inputs and were not necessarily the most profitable of farm types simply because they were the most productive. The cereal crops that were to receive the price guarantees, and that these systems were most capable of producing, soon became cheaper on the world market as a result of expansion overseas during the First World War. The prices of meat and milk, which were to be an important part of the output of these farms, later declined as the level of domestic output rose. As farm wages became higher after 1924, the more labour-intensive crops were made a less important part of some systems, and the opportunity to maintain a large labour force was reduced. Consequently, given the limited demand of the home market and the developments in world supplies of primary produce the government's enthusiasm during the 1920s for agricultural expansion cannot be condoned.

Even without the repeal of the price guarantees in 1921 the government's policy was likely to have had only a limited effect. Although farm incomes remained high until 1920, the arable acreage fell from its wartime peak and was below pre-War levels in 1923, while except in 1916 and 1917, the total acreage of crops and grass had shown a continuous fall from pre-War levels. Farmers were concerned to restore their pre-War systems and to increase their output of livestock produce. Although real farm output per acre rose in 1919 and 1920, this was largely a recovery from the low output of the War years, and even in 1921 it was little above 1911-13 levels. Similarly the volume of agricultural imports had risen after the War, but until 1923, when the Irish Free State's consignments are included in the figures, these were no higher than in 1911-13. The total



agricultural population was also lower in 1921 than in 1911. The policy of expansion as supported by the Corn Production Acts and Agriculture Act had little time to be effective, and did not encourage increased cultivation. In any case this would have been damaging to Britain's economic interests.

The price guarantees were removed in 1921 for financial reasons. The government and some politicians and agriculturalists continued in the 1920s to adhere to a policy aimed at increasing agricultural productivity and employment. However, owing to recession and a general mood which called for a return to pre-War economic freedoms the government could only offer limited inducements to agricultural expansion. But, the government was also concerned to support agriculture in adversity. The reduction of tithe and rates charges on land and attempts to improve the provision of farm credit benefited all farmers. The beet sugar subsidy was a measure of support to arable farming, and like wages regulation, was also intended to support the size and incomes of the agricultural work force. As food imports became cheaper and a less expensive item in the import bill, government policy began to show less concern with an expansion of farming, and focused its attention upon improving efficiency in production and distribution in order to enable British farmers to compete with imports. Although in the late 1920s it was claimed that some cheap cereals, meat, and milk product imports were adversely affecting domestic prices, the government ruled out any measures of subsidies or protection as acceptable or practical solutions to the decline of the arable sector and of the agricultural population.

Despite various measures of farm support there was no expansion in the size of British agriculture in the 1920s. Farm incomes also remained low in this decade. There were temporary increases in the acreages of wheat, potatoes, and barley, and in the number of farm workers, partly as a result of the beet sugar subsidy, but also due to general trends in production and employment in agriculture and the economy. However, there

was an overall decline in the total farm acreage, the arable acreage, and the agricultural population during the 1920s. Although real output was increased, the volume of agricultural imports rose more than that of domestic farm output.

The government's immediate aims in respect of farming during the depression of 1929-33 were to prevent the apparent threat of the collapse of the agricultural sector as a result of low incomes and an increase in bankruptcies. These were caused by sharp reductions in the prices of domestic farm produce resulting from agricultural overproduction at home and overseas. The Slump required and allowed a new set of responses in respect of the government's role in the economy, which were reflected in agricultural policy. This changed role allowed the construction of a system of agricultural support, import protection, and domestic reorganization, which together formed the basis of a reasonably effective policy in the 1930s.

Following the national shift to protection in 1931/2, the government was able to introduce some protective duties, enact the wheat subsidy, obtain a number of voluntarily agreed quotas with continental suppliers of agricultural produce, provide for quotas and duties on food imports at Ottawa, and pass legislation that would allow an overhaul of domestic marketing methods. These measures were intended to halt the decline in British agriculture, and were extended in 1933-4 through the bilateral trade agreements with Argentina and other countries, the provisions for further quota restriction under the second Marketing Act, and the introduction of loan payments to beef and milk producers. Whilst this activity was accompanied by a rise in farm incomes and a reduction in the number of farm bankruptcies, most of these measures were introduced when the worst years of the depression, 1931-2, were over. Also, while unsubsidized farm incomes fell by 10% in 1931/2 compared with those of 1930, only 0.44% of farmers went bankrupt in 1931-3. Thus it is not clear whether the agricultural sector would have been significantly reduced without

government support. However, the introduction of farm aid brought the government a responsibility for the welfare of domestic agriculture, and gave it a framework for agricultural policy that was to endure throughout the 1930s.

It was not until 1934/5, following the establishment of agricultural support, that the government decided upon its agricultural policy for the rest of the decade. As it became clear to the government that the problem of low agricultural incomes was no longer a temporary one, and that the existing measures of support for some commodities, notably beef and milk, were not sufficient, it began to formulate a long-term approach and to assess the relationship that agriculture might bear to other sectors of the economy and to international trade. It was decided that future policy was to be centred upon levy-subsidies, domestic reorganization, import quotas, and some duties. A steady state agriculture was to be maintained in order that imports, and hence export markets and the balance of trade, would not be adversely affected. The government would not underwrite agricultural profitability, but was concerned with ensuring that there was no collapse of the domestic farm sector, that economic recovery stimulated by an expansion of the export trade would not be damaged, and that consumers would not suffer from significant rises in food prices. There can be little criticism of these aims. What can be attacked is the way in which by not carefully preparing a policy for Ottawa, and by reinforcing the agreements in the ensuing bi lateral treaties, the government greatly restricted its freedom of manoeuvre in respect of protection for domestic agriculture.

The refusal of overseas suppliers to consider duties of a sufficient size, or level of preference, to fund a levy-subsidy scheme for meat or milk, led in 1936-7 to the government being forced to abandon such proposals and to retain the direct payments that had originally been intended only as loans. These were partially funded by tariffs and assisted by quotas.

The government's approach was well-founded when it sought to base agricultural payments upon levy-subsidies. When it became clear that this was not possible, it was also right to abandon this policy in favour of direct subsidies and some relaxation of import controls. Direct payments were funded out of the whole of the government's revenues, and their burden on individual consumers was low, and much lower than would have been the effective operation of a quota or tariff capable of raising prices high enough to make most domestic output profitable.

Import protection was a necessary and important part of the policy of support and reorganization. It was founded principally on quotas and supplemented by some duties. Quotas were introduced in 1931-3 as a protective and restrictive instrument, but became a stabilizing measure from 1936 once domestic farm support was concentrated more upon direct payments. However, the effective operation of a quota was definitely price-raising to consumers, and the quarterly meat quota-bargaining sessions were fraught with political difficulties for Britain. Quotas were also used for bacon, milk products, potatoes, oats, and eggs. Whilst they protected domestic farmers they did not necessarily restrict the value of overseas trade, because owing to the inelastic nature of demand for much agricultural produce, a reduced supply of imports might earn a higher gross sterling receipt for the producer or importer than a larger supply in an overstocked market. Yet, because of food distribution and processing costs, the import price was only a part of the retail cost, and hence consumers did not always feel the full effect of protection. The retail and distributive trades often adjusted the price differential between farm or import and retail prices in opposition to the movements in the price level.

While food tariffs imposed a charge upon overseas producers and importers, they did not always affect market prices, for the price of agricultural produce was usually more strongly related to the volume in the market than to the amount of a duty. Tariffs might thus have little effect upon domestic market or farm prices, and were really only suitable for.

providing a levy for a subsidy or for controlling seasonal imports where the home product usually dominated the market. Protective tariffs were imposed upon most major agricultural commodities, and to prevent seasonal disturbances in the market for potatoes, hops, poultry, and horticultural produce.

The effects of food import quotas and tariffs were usually not significantly damaging to the government's intentions to support domestic farming without adversely affecting importers' sterling earnings or the interests of consumers. The government was not always fully aware of this, however. Where the imported product was not substitutable with home produce, for example in respect of the lower grades of beef and sheepmeat or Danish bacon supplies, import protection adversely affected Great Britain. This protection raised prices needlessly, and Denmark certainly benefited greatly from an increased income and higher prices. In neither case were British farmers' returns raised as a result of import protection.

Government aid was distributed primarily in respect of those commodities that were of most importance to British agriculture as measured in terms of off-farm sales, or their importance to farming systems — wheat, meat, and milk. By the 1930s these had a place in almost all farms. They received the most support partly because they were considered to be the most important products of domestic farming, and partly because they experienced the most marked price falls to unprofitable levels. Milk production, however, was also encouraged because of its importance for the national health. *But see tables Mid IV (of 1180) - Price of Consumption to State and 1937/8 (a recovery phase of the slump)*

The intention of policy in the 1930s, during and after the Slump, was to stabilize and to prevent a collapse of the agricultural sector, not to make it profitable, and in this respect policy was successful. It was also intended to lay the foundations of long-term planning in order to reduce agriculture's reliance upon government support, and to make production and distribution more efficient. Although farm output continued to rise, the total farm acreage and arable acreage continued to decline, and men were

still leaving the land for other employment. However, this is part of a general trend exhibited by the agricultural sectors of mature industrial economies. Government policy might best be evaluated in respect of the levels of farm incomes, profitability, and insolvency. Subsidies, quotas, and tariffs all supported agricultural incomes. Farm incomes were higher, and bankruptcies lower, in the 1930s than in the 1920s, but despite support farmers were still unable to maintain appropriate levels of fixed investment. Although increased emphasis was placed upon the commodity commissions rather than the marketing boards to effect improvements in efficiency, the outbreak of war came too soon to allow any of the results of this aspect of policy to be judged. Given the limitations to agricultural policy in respect of decisions concerning the size and profitability intended for domestic farming, the considerations relating to the effects of import restriction upon the export sector of the economy, the balance of trade, overseas relations, and food prices, the limitations imposed at the Ottawa Conference, and the need to prepare for war, the government was able to produce a response which was moderately successful in relation to its aims. The agricultural sector did not collapse, but it continued to require government support in the 1930s.

British agriculture was never able to adjust to the price trends that it faced during the inter-war years. Although the volume of off-farm sales rose considerably, and the physical efficiency of agriculture was greatly improved, tenant farmers' incentive incomes were on average lower than or comparable with agricultural labourers' wages, and except in the 1930s, owner-occupiers had negative incentive incomes. Nevertheless, farm labourers' wages were only about 60% of national average earnings, and workers were leaving the land throughout the period. Those landowners who did not sell their estates when land prices were high after the Great War received returns from agricultural investment that were only about 60% of yields on Consols. British agriculture in the inter-war years cannot be regarded as a successful economic enterprise. Consequently once the

government's attitudes concerning its role in the economy were changed as a result of the Slump, and it acquired a responsibility for agriculture, farmers were able to mount an effective campaign for government support.

Agricultural incomes fluctuated across the period 1917 to 1939. Farmers' incomes were highest in the First World War and in the 1930s, while landlords received a fairly constant level of net rents. Farm labourers' living standards were highest after the Slump. Farmers made full use of the opportunities offered by the First World War, but found it difficult to adapt to the more competitive conditions of the inter-war years. The expansion of domestic and overseas farm output during and after the Great War, brought price falls during the 1920s as production exceeded demand. There were sharp reductions in farm prices and agricultural incomes during the depression, especially in 1931-2. Thereafter, the granting of government assistance as a result of cries of distress from farmers, the adaptation of some farm systems towards more profitable areas, the investment of a larger amount of working capital, and the gradual rise in the price level and in consumer demand, brought higher subsidized and unsubsidized agricultural incomes in the 1930s. However, farmers were only able to gain total incomes on an average-size farm that were slightly below national average earnings. These incomes included returns on capital, and were achieved partly by many farmers failing to maintain their fixed investments. Farmers and labourers gained the most amongst the agricultural community from government action and economic trends in the inter-war years, while landlords declined in social and economic importance. It was thus inevitable that farmers should replace landowners as the voice of agriculture when government policy became actively involved in the business of farming.

Government action was required in respect of agriculture during the Great War in order to maintain domestic food production, and in the inter-war years because it was considered that for various political, economic, social, and strategic reasons, the British agricultural sector should be encouraged

or maintained. British agriculture's experience of the period was one of trying to come to terms with an unfavourable set of price trends. Although it improved its position in respect of incomes and productivity, it was never able to offer opportunities for the employment of capital and labour that were comparable with those in other sectors of the economy.



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- Appendix II                   Indices of Returns from Agricultural Produce,  
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- Appendix III                  Indices of Real Returns from Agricultural Produce,  
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- Appendix IV                   Indices of Various Agricultural Production Costs,  
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Appendix ILegislation Primarily Concerned with, or Affecting, Agriculture,  
1917-39.

- 1917 21 Aug. Corn Production Act, 1917.
- 1918 30 July Land Drainage Act, 1918.  
30 July Small Holdings Colonies (Amendment) Act, 1918.  
8 Aug. Corn Production (Amendment) Act, 1918.
- 1918 19 Aug. Aquisition of Land (Assessment of Compensation) Act,  
1919.  
19 Aug. Agricultural Land Sales (Restriction of Notices to  
Quit) Act, 1919.  
23 Dec. Ministry of Agriculture and Fisheries Act, 1919.
- 1920 4 Aug. Ecclesiastical Tithe Rentcharges (Rates) Act, 1920.  
23 Dec. Agriculture Act, 1920.
- 1921 1 July Agriculture (Amendment) Act, 1921.  
17 Aug. Corn Sales Act, 1921.  
19 Aug. Safeguarding of Industries Act, 1921.  
19 Aug. Corn Production Acts (Repeal) Act, 1921.
- 1922 4 Aug. Allotments Act, 1922.  
4 Aug. Allotments (Scotland) Act, 1922.  
4 Aug. Ecclesiastical Tithe Rentcharges (Rates) Act, 1922.  
4 Aug. Milk and Dairies (Amendment) Act, 1922.
- 1923 7 June Agricultural Holdings Act, 1923.  
7 June Agricultural Holdings (Scotland) Act, 1923.  
31 July Agriculture (Amendment) Act, 1923.  
31 July Agricultural Credits Act, 1923.  
2 Aug. Agricultural Rates Act, 1923.
- 1924 14 July Finance Act, 1924.  
7 Aug. Agricultural Wages (Regulation) Act, 1924.
- 1925 27 March. Agricultural Rates (Additional Grant) Continuance  
Act, 1925.  
27 March British Sugar (Subsidy) Act, 1925.  
9 April Land Charges Act, 1925.  
28 May Importation of Pedigree Animals Act, 1925.  
30 June Agricultural Returns Act, 1925.

- 7 Aug. Allotments Act, 1925.  
 7 Aug. Diseases of Animals Act, 1925.  
 22 Dec. Tithe Act, 1925.
- 1926 29 April Allotments (Scotland) Act, 1926.  
 16 June Law of Property (Amendment) Act, 1926.  
 15 July Markets and Fairs (Weighing of Cattle) Act, 1926.  
 4 Aug Finance Act, 1926.  
 4 Aug Heather Burning (Scotland) Act, 1926.  
 15 Dec Expiring Laws Continuance Act, 1926.  
 15 Dec Fertilizers and Feeding Stuffs Act, 1926.  
 15 Dec Horticultural Produce (Sales on Commission) Act, 1926.  
 15 Dec Housing (Rural Workers) Act, 1926.  
 15 Dec Merchandise Marks Act, 1926.  
 15 Dec Sales of Food (Weights and Measures) Act, 1926  
 15 Dec Small Holdings and Allotments Act, 1926.
- 1927 29 July Diseases of Animals Act, 1927.  
 22 Dec Destructive Insects and Pests Act, 1927.  
 22 Dec Landlord and Tenant Act, 1927.
- 1928 10 May Rating and Valuation (Apportionment) Act, 1928.  
 3 Aug Agricultural Produce (Grading and Marking) Act, 1928.  
 3 Aug Agricultural Credits Act, 1928.  
 3 Aug Food and Drugs (Adulteration) Act, 1928.
- 1929 27 March Agricultural Credits (Scotland) Act, 1929.  
 27 March Local Government Act, 1929.  
 10 May Agricultural Rates Act, 1929.  
 10 May Local Government (Scotland) Act, 1929.  
 20 Dec Expiring Laws Continuance Act, 1929.
- 1930 15 April Land Drainage (Scotland) Act, 1930.  
 1 Aug Land Drainage Act, 1930.
- 1931 8 July Housing (Rural Workers) Amendment Act, 1931.  
 31 July Agricultural Land (Utilization) Act, 1931.  
 31 July Agricultural Marketing Act, 1931.  
 31 July Agricultural Produce (Grading and Marking) (Amendment) Act, 1931.  
 31 July British Sugar Industry (Assistance) Act, 1931.  
 31 July Improvement of Livestock (Licensing of Bulls) Act, 1931.  
 31 July Small Landlords and Agricultural Holdings (Scotland) Act, 1931.

- 31 July Housing (Rural Authorities) Act, 1931.  
 11 Dec Horticultural Produce (Emergency Customs Duties) Act, 1931.
- 1932 29 Feb Import Duties Act, 1932.  
 17 March Destructive Imported Animals Act, 1932.  
 12 May Wheat Act, 1932.  
 12 July Agricultural Credits Act, 1932.  
 15 Nov Ottawa Agreements Act, 1932.
- 1933 18 July Agricultural Marketing Act, 1933.  
 21 Dec Agricultural Marketing (No.2) Act, 1933.
- 1934 28 March Rural Water Supplies Act, 1934.  
 28 June Unemployment Act, 1934.  
 25 July British Sugar (Subsidy) Act, 1934.  
 31 July Cattle Industry (Emergency Provisions) Act, 1934.  
 31 July Milk Act, 1934.
- 1935 26 Feb Unemployment Insurance Act, 1935.  
 28 March Cattle Industry (Emergency Provisions) Act, 1935.  
 11 April Land Drainage (Scotland) Act, 1935.  
 2 Aug British Sugar (Subsidy) Act, 1935.  
 2 Aug Cattle Industry (Emergency Provisions) (No.2) Act, 1935.  
 2 Aug Diseases of Animals Act, 1935.  
 2 Aug Housing Act, 1935.  
 2 Aug Housing (Scotland) Act, 1935.
- 1936 19 March Milk (Extension of Temporary Provisions) Act, 1936.  
 9 April Unemployment Insurance (Agriculture) Act, 1936.  
 21 May Sugar Industry (Reorganization) Act, 1936.  
 31 July Cattle Industry (Emergency Provisions) Act, 1936.  
 31 July Housing Act, 1936.  
 31 July Tithe Act, 1936.
- 1937 18 Feb Beef and Veal Customs Duties Act, 1937.  
 10 June Sheep Stocks Valuation (Scotland) Act, 1937.  
 20 July Agricultural Wages (Scotland) Act, 1937.  
 20 July Livestock Industry Act, 1937.  
 30 July Agriculture Act, 1937.  
 30 July Milk (Amendment) Act, 1937.

- 1938 30 March Housing (Financial Provisions) Act, 1938.  
23 June Housing (Rural Workers) Amendment Act, 1938.  
13 July Housing (Agricultural Population) Scotland Act, 1938.  
29 July Bacon Industry Act, 1938.  
29 July Food and Drugs Act, 1938.  
29 July Holidays with Pay Act, 1938.  
29 July Milk (Extension and Amendment) Act, 1938.
- 1939 27 March Bacon Industry (Amendment) Act, 1939.  
13 July Wheat (Amendment) Act, 1939.  
20 July Agricultural Development Act, 1939.  
28 July Milk Industry Act, 1939.  
28 July Prevention of Damage by Rabbits Act, 1939.  
- Poultry Industry Bill, 1939.





Indices of Various Agricultural Production Costs,  
1911-13 to 1938/9.<sup>1</sup>

YEAR	RENT	RENT AND RATES	LABOUR		FEED	FERTILISER	PLANT AND MACHINERY	FUEL AND LIGHT	BUILDING AND CONSTRUCTION	RETAIL PRICES
			HOURLY WAGE RATE	WEEKLY WAGE RATES						
1911-13	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1914/15	101.7	102.1	-	-	125.0	109.0	119.5	104.0	118.7	117.1
1915/16	102.2	103.1	-	-	170.0	142.0	144.5	122.4	139.8	144.1
1916/17	102.5	103.5	-	-	245.0	183.0	183.1	138.7	161.6	157.5
1917/18	103.8	104.9	143.0	143.9	283.0	206.0	208.4	170.8	196.3	212.1
1918/19	104.9	107.3	199.9	182.1	274.0	214.0	240.5	199.9	243.9	230.6
1919/20	108.7	114.2	255.5	221.5	271.0	244.0	250.7	224.9	291.5	254.4
1920/1	120.3	128.8	301.7	260.5	209.0	250.0	195.7	252.9	269.6	258.5
1921/2	120.5	130.7	225.3	196.3	152.0	160.0	144.7	225.7	218.9	199.3
1922/3	119.2	127.5	180.5	160.4	138.0	130.0	128.9	199.9	194.9	180.0
1923/4	119.4	124.6	177.9	158.1	145.0	113.0	129.1	197.3	195.7	177.1
1924/5	119.6	122.9	189.4	168.9	160.0	115.0	129.3	194.2	198.4	181.2
1925/6	119.0	122.4	201.7	177.2	128.0	113.0	127.3	200.5	194.5	176.8
1926/7	118.1	121.9	201.3	177.9	133.0	113.0	128.4	191.6	190.3	173.4
1927/8	114.7	119.2	200.1	177.5	154.0	101.0	130.3	180.0	184.2	169.4
1928/9	113.3	113.0	201.3	178.9	145.0	99.0	133.4	180.0	132.3	167.9
1929/30	112.5	106.3	203.4	180.1	115.0	101.0	125.3	181.8	179.8	160.7
1930/1	111.0	103.2	204.4	179.9	82.0	99.0	116.4	182.9	174.1	158.4
1931/2	107.6	100.2	200.3	178.1	94.0	90.0	114.1	182.4	166.6	137.4
1932/3	103.2	96.2	196.2	175.5	88.0	90.0	110.7	180.3	161.8	131.9
1933/4	103.5	95.9	195.2	173.6	84.0	89.0	114.6	178.2	161.1	132.6
1934/5	103.9	96.5	201.6	177.7	92.0	83.0	118.4	175.4	163.3	136.0
1935/6	103.9	96.6	205.1	181.4	87.0	88.0	125.1	178.0	168.7	137.4
1936/7	103.6	96.2	210.7	185.4	115.0	90.0	141.0	181.5	176.5	143.6
1937/8	103.6	96.1	219.9	193.2	119.0	93.0	146.3	183.0	181.6	146.5
1938/9	104.3	96.4	223.1	196.4	99.0	93.0	151.4	191.6	189.2	145.7

1. Agricultural Statistics and preceding tables.



Indices of Various Real Agricultural Production  
Costs, 1911-13 to 1938/9.

YEAR	RENT	RENT AND RATES	LABOUR		FEED	FERTILISER	PLANT AND MACHINERY	FUEL AND LIGHT	BUILDING AND CONSTRUCTION	RETAIL PRICES
			HOURLY WAGE RATE	WEEKLY WAGE RATES						
1911-13	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1914/15	86.8	87.2	-	-	106.7	93.0	102.0	88.8	101.4	100.0
1915/16	70.9	71.5	-	-	118.0	98.0	100.3	84.9	97.0	100.0
1916/17	54.7	55.2	-	-	130.7	98.0	97.6	74.0	86.2	100.0
1917/18	48.9	49.5	67.4	67.8	133.4	97.0	98.3	80.5	92.6	100.0
1918/19	45.5	46.5	86.7	78.9	118.8	93.0	104.3	86.7	105.8	100.0
1919/20	42.7	44.8	100.4	87.1	106.5	96.0	98.5	88.4	114.6	100.0
1920/1	46.5	49.8	111.9	96.6	80.9	96.7	75.7	97.8	104.3	100.0
1921/2	60.5	65.6	113.0	98.5	76.3	80.3	72.6	113.2	109.8	100.0
1922/3	66.2	70.8	100.3	89.1	76.7	72.2	71.6	111.1	108.3	100.0
1923/4	67.4	70.4	100.5	89.3	81.9	66.7	72.9	111.4	110.5	100.0
1924/5	65.0	67.8	104.5	93.2	88.3	63.5	71.4	107.2	109.5	100.0
1925/6	67.3	69.2	114.1	100.2	72.3	63.9	72.0	113.4	110.0	100.0
1926/7	68.1	70.3	116.1	102.6	76.7	65.2	74.0	110.5	109.7	100.0
1927/8	67.7	70.4	118.1	104.8	90.9	59.6	76.9	106.3	97.3	100.0
1928/9	67.5	67.3	119.9	106.6	86.4	59.0	79.5	107.2	108.6	100.0
1929/30	70.0	66.1	126.6	112.1	71.6	62.9	78.0	113.1	111.9	100.0
1930/1	70.1	65.2	129.0	113.6	51.8	62.5	73.5	115.5	109.9	100.0
1931/2	78.3	72.9	145.8	129.6	68.4	65.5	83.0	132.8	121.3	100.0
1932/3	78.2	72.9	148.7	133.1	66.7	68.2	83.9	136.7	122.7	100.0
1933/4	78.1	72.3	147.2	130.9	63.3	67.1	86.4	134.4	121.5	100.0
1934/5	76.4	71.0	148.2	130.7	67.6	61.0	87.1	129.0	120.1	100.0
1935/6	75.6	70.3	149.3	132.0	63.3	64.0	91.0	127.5	122.8	100.0
1936/7	72.1	67.0	146.7	129.1	80.1	62.7	98.2	129.4	122.9	100.0
1937/8	70.7	65.6	150.1	131.9	81.2	63.5	99.9	125.9	124.0	100.0
1938/9	71.6	66.2	153.1	134.8	67.9	63.8	103.9	131.5	130.0	100.0

1. Calculated from Appendix IV.

Expenditure Incurred upon the Major Agricultural Services, 1911-13 to 1938/9.

FINANCIAL YEAR	MINISTRY OF AGRICULTURE AND FISHERIES	BET SUGAR SUBSIDY (GREAT BRITAIN)	MILK (ENGLAND, WALES, AND N. IRELAND)	CATTLE AND LIVESTOCK PAYMENTS (U.K.)	LAND FERTILITY IMPROVEMENT (U.K.)	OTS AND BARLEY (ENGLAND, WALES AND N. IRELAND)	BACON INDUSTRY	WHEAT DEFICIENCY PAYMENTS	DEPT. OF AGRICULTURE FOR SCOTLAND	MILK (SCOTLAND)	OTS AND BARLEY SUBSIDY (SCOTLAND)
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1911-13	254 606*	-	-	-	-	-	-	-	205 580 <sup>†0</sup>	-	-
1913/14	205 847*	-	-	-	-	-	-	-	233 048 <sup>†</sup>	-	-
1914/15	240 135*	-	-	-	-	-	-	-	240 135 <sup>†</sup>	-	-
1915/16	371 106*	-	-	-	-	-	-	-	64 763 <sup>†</sup>	-	-
1916/17	311 164*	-	-	-	-	-	-	-	57 722 <sup>†</sup>	-	-
1917/18	469 201*	-	-	-	-	-	-	-	70 966 <sup>†</sup>	-	-
1918/19	446 010*	-	-	-	-	-	-	-	80 157 <sup>†</sup>	-	-
1919/20	2 730 932*	-	-	-	-	-	-	-	320 711 <sup>†</sup>	-	-
1920/1	4 191 158	-	-	-	-	-	-	-	427 404 <sup>†</sup>	-	-
1921/2	2 435 451	-	-	-	-	-	-	-	423 305 <sup>†</sup>	-	-
1922/3	1 834 486	-	-	-	-	-	-	-	255 063 <sup>†</sup>	-	-
1923/4	4 555 508	-	-	-	-	-	-	-	314 618 <sup>†</sup>	-	-
1924/5	1 687 253	-	-	-	-	-	-	-	351 714 <sup>†</sup>	-	-
1925/6	2 849 478	-	-	-	-	-	-	-	352 387 <sup>†</sup>	-	-
1926/7	1 993 686	3 200 000	-	-	-	-	-	-	562 426 <sup>†</sup>	-	-
1927/8	1 872 002	4 425 857	-	-	-	-	-	-	539 297 <sup>†</sup>	-	-
1928/9	2 062 657	2 907 250	-	-	-	-	-	-	431 064 <sup>†</sup>	-	-
1929/30	2 921 978	4 104 237	-	-	-	-	-	-	476 942	-	-
1930/1	2 324 543	5 979 730	-	-	-	-	-	-	552 749	-	-
1931/2	2 147 496	2 167 972	-	-	-	-	-	-	528 229	-	-
1932/3	1 975 157	2 310 192	-	-	-	-	-	4 510 946	459 377	-	-
1933/4	2 017 878	3 326 207	-	-	-	-	-	7 179 748	436 667	-	-
1934/5	2 305 287	4 432 910	1 287 500	2 146 300	-	-	-	6 813 831	623 461	165 500	-
1935/6	2 187 753	2 290 383	1 676 443	3 882 856	-	-	-	5 645 085	677 655	167 849	-
1936/7	2 287 326	2 977 170	1 011 611	4 082 425	-	-	-	1 338 620	636 091	124 435	-
1937/8	2 787 687	1 233 873	524 682	4 388 130	647 100	-	-	1 817 840	585 122	108 905	-
1938/9	3 237 577	1 927 903	583 203	4 266 360	1 421 104	80 500	-	10 570 611	601 517	84 875	84 500

\* Board of Agriculture.

0 1912-13 only.

† Board of Agriculture for Scotland.

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