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CABINET.

Committee on Agricultural Policy.

REPORT.

1. In pursuance of the decision of the Cabinet on the 9th inst. (Cabinet 53 (23) Conclusion 7), we have considered the questions of proposed Government assistance to agriculture.

2. The Committee was given to understand that it was necessary for them to furnish a report without delay, and in these circumstances, some of the members, while not formally dissenting from the following recommendations, subscribed to them with reserve, and regret that fuller opportunity was not available for more detailed consideration of the subject.

3. The following methods of Government assistance have been suggested to us --

- (a) A subsidy of a fixed sum per acre on all arable land;
- (b) A subsidy of a fixed sum per acre on land under wheat;
- (c) A fixed sum per acre on all arable land with an additional sum per acre for land under wheat;
- (d) A subsidy on the farmers' wages bill.
- (e) Assistance by way of preferential railway rates on home-grown produce.

4. The question of reduced railway rates and of a Customs duty on imported flour should, in our opinion, be further considered.

5. The system of subsidy recommended by the Committee is that of a fixed sum per acre on all arable land.

6. We recommend that the present subsidies should be at the rate of 20/- per acre on all arable land.

7. For the purpose of the subsidy, arable land should be defined as all land ploughed during the particular cereal year, including summer fallow, plus land under first year's seed and land under small fruit, hops, and market gardens.

8. The cost of the subsidy on this basis will be approximately 11 millions for Great Britain.

9. With regard to wages two schemes were before the Committee. The first is that of the National Farmer's Union that payment of a minimum rate of 30/- a week of 52 hours should be a condition precedent for the receipt of the subsidy. The second is for the appointment of an impartial Chairman to a Conciliation Committee which has not arrived at an agreement with power to enforce his decision. We have not been able to decide between these alternatives but in any case we are agreed that a 52 hour week is excessive.

10. Provision will have to be made to prevent rents being raised on account of the subsidy. There will have to be some provisions for inspection as a check on bad farming. The scheme would apply to holdings of more than one acre in extent.

11. Provision will have to be made for review of the amount of the subsidy by limiting the legislation to a term of five years.

12. We assume that the subsidy would apply to the 1924 crop, and in this case payment could not be made until the beginning of 1925.

R. A. SANDERS.

Signed on behalf of the
Committee.

2, Whitehall Gardens, S.W.
12th November, 1923.