

MARKETING BOARDS

&

IMPORT CONTROL.

By

M. PHILIPS. PRICE.

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## Marketing Schemes

We have now reached a stage when an attempt is being made in practice to organize the marketing of certain agricultural products and to eliminate the spread between producer and consumer which has been one of the sources of agricultural depression as well as a burden on the consuming public. The history of the attempt takes us back to the Parliament of the Second Labour Government, when Dr Addison secured the passage of the First Agricultural Marketing Act. It is not necessary here to go into any detail about the provisions of that Act for setting up Producers' Boards to negotiate with distributors<sup>1</sup> organizations on matters concerning the sale of the article in question and arrange where thought advisable prices which will be statutory. It is more important now to see how the principles embodied in the Act are being applied in practice. There are in force at present under the Act four schemes dealing with Milk, Pigs, Potatoes and Hops. In Scotland there are three regional milk schemes. How are these schemes working in practice ?

It may be said at once that Addison's Marketing Act provided only for the regulation of the sale of a given product "by the producers thereof". There was an absence of any provision for dealing with the distributors' organizations. Now the distribution of agricultural produce, and notably that of milk, is in the hands of powerful private combines which, though given no statutory power under the Act, are still able to obstruct its working, unless they are bought out or brought in under the schemes. The reason for omitting to provide an organization for distributors was a tactical one. It is doubtful if farmers would have organized themselves into Producers' Boards if there was any suspicion that these Boards would be under the thumb of similar organizations of distributors. Nevertheless, it was clear that after the initial stage some modification of the Act to bring in distributors' organizations was desirable. Powers have therefore been given distributors' organizations to enable them to form their own marketing schemes. As long ago as February, 1933, the Milk

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<sup>1</sup> The term "distributors" includes "manufacturers" and "processors" throughout this pamphlet.

Reorganization Commission had recommended Joint Boards of Producers and Distributors with statutory powers to arrange sales and fix prices of milk. There were to be three neutral arbitrators appointed by the Speaker of the House of Commons, the Minister of Agriculture, after consultation with the National Farmers' Union, and the President of the Board of Trade, after consultation with the Federation of British Industries. These three arbitrators were to step in and fix prices only if the Producers' and Distributors' Boards could not agree. Unfortunately the proposal to create a "Joint Board" has not been carried out.

#### THE MILK SCHEME

The milk distribution of the country is in the hands of powerful combines. Therefore it became necessary to bring them into the scheme somehow. They have not however formed, as the Bacon Manufacturers have, a Board of their own, but remain as a non-statutory organization negotiating with the statutory Milk Producers' Board. We have, therefore, at the present time a makeshift arrangement whereby the Producers' Statutory Board negotiates prices with a non-statutory Distributors' Board, and arbitrators are appointed by the Ministry to step in in the event of disagreement.

But the result has been unsatisfactory in more than one way. The distributing trade has had all the benefits of being free agents and none of the disadvantages to them of open competition. On paper it appeared that the producers fixed the wholesale price of milk and the distributors would be bound to pay it whatever the state of the market, while the consumers were protected at the other end. In practice it has meant that the distributors have in defence of their interests bound themselves together as never before, and are free to pass on to the consumer any rise in the wholesale price. There is no attempt under the Scheme to investigate by a costings system the various processes through which milk passes in the distributors' hands to see if any economy can be made in handling it. The profits of the milk combines show that their side of the business is as lucrative as ever. It is clear to everyone that the distributors and manufacturers of dairy products are cooperating more closely than ever they did before in the history of the milk industry, and their cooperation is in self-defence. The attempted producers' control of the milk industry has succeeded in strengthening the combination of distributive interests rather than the producers' interest.

The conclusion therefore seems to be that if private distributors' combines exist and are not nationalized, they should be brought into the marketing scheme directly and should sit on

Joint Statutory Price Fixing Boards under national arbitrators who would function in the event of non-agreement between both sides.

This is actually what the Milk Reorganization Commission in February, 1933, recommended, viz. a Joint Milk Council consisting of representatives of the Milk Marketing Board (the producers) and a Central Dairymen's and Manufacturers' Board. In this way the producers would get an intimate knowledge of the working of the dairy manufacturing side of the business and be in a position of having an influence over the margins covered by the distributors. But this would require fresh legislation and a further amendment to the Addison Marketing Act. It may be presumed that the pressure of the manufacturing interests on the Government has so far prevented such an amendment from taking place, because the presence of producers on a Joint Board with power to inspect the costs and margins of the great milk combines is hardly desired by the latter.

#### CONSUMERS' REPRESENTATION

The weakness of the present Milk Scheme is best seen by the fact that no provision is operating for defending consumers against unreasonable retail prices. At present the Milk Board disclaims all direct control over the retail price of milk. Moreover, it is very doubtful what power, if any, it has for controlling retail prices under the Statutory Rules and Regulations laid down by the Ministry under the Act. The wording of the Rules is ambiguous and the result is that retailers, who in many cases are under the control of the wholesale combines, are able to do more or less what they like with retail prices, which in some areas have risen considerably. The Board only intervenes to prevent undercutting by individuals *after* the trade itself has fixed the retail prices for a given area. There is thus no effective control exercised by any public or semi-public body over the retail price.

It is true that in the contract period beginning April 1, 1934, the Milk Marketing Board has prescribed minimum margins to cover distributors' costs which should not be exceeded. This scale of margin allows for the difference between the distributive costs in the village and the big town. But it remains to be seen if this will happen, and the experience of the working of the Scheme since last autumn is not reassuring.

Dr Addison's Marketing Act contained provisions for setting up Consumers' Committees with advisory powers to bring complaints to the Ministry of Agriculture. Considerable delay has characterized this aspect of the Milk Scheme, and no consumers' committee was appointed till long after the scheme was in

operation. A report made by the committee to the Ministry of Agriculture in March, 1934, condemned the prevailing practice under the Scheme of allowing distributors to fix retail prices for a given area, and advocated "minimum margins above the wholesale price" and that these margins should be fixed so as to "give not more than a reasonable return to the distributors in that area working under the most economical conditions".

In general, the question of the representation of consumers' interests on the Boards is highly unsatisfactory. The Cooperative Wholesale Society would appear to be an example of a consumers' organization which should represent these interests. In actual fact this body is far more a manufacturing and distributing organization. The powerful influence in the cooperative movement is with the central bodies who have built up a large distributing and manufacturing apparatus and are as interested in keeping up prices and preventing an inquiry into costs and margins as the private combines are. There is no single organization which can be relied upon to look after the interests of the consumers as such. And yet this is a very important matter. The marketing schemes cannot succeed unless there is a continual expansion of consumption. The housewife is the final arbiter in all these matters, and unless her reactions are watched and studied the whole thing may be stultified.

#### A NEW MODEL FOR THE BOARDS

A New Model for Marketing Boards will have ultimately to be drawn up if the consumer is to be adequately safeguarded and if national interests are not to be sacrificed to the sectional interests of producers and distributors. To secure these ends it will be necessary not only to have an equal number of producers and distributors on the Boards but to see that a majority of the members represent neither of these interests. Representation will have to be given to the Ministry of Agriculture and probably to other Government Departments, such as the Board of Trade, and to some semi-public bodies. Considerable difficulties will have undoubtedly to be overcome in setting up these Boards as the general public tend to regard the Ministry of Agriculture as biased towards the farmer whilst the farmer has long been biased against Government Departments and "officialdom". If representation on the Boards of consumers' interests in as direct a way as possible could also be effected it would do much to remove these difficulties. This might be done by securing representation of the larger cooperative societies in London and the provinces. These are more closely connected with consumers' interests than the Cooperative Wholesale Society. In any case, whatever the

exact complexion of the Boards, it is essential that the majority of members should not be producers and distributors.<sup>1</sup>

The immediate problem, however, is to bring the distributors into the Marketing Schemes and thus get over the existing anomaly of the producer alone having representation on the Boards. The absurd attempt of the hop growers not merely to restrict output unduly but to prevent fresh entrants from coming into the trade altogether illustrates the danger of the present Boards. The bringing of the distributors into the Boards will be a big step forward, as it will enable better and more complete organization to be carried out. This change will not, however, be enough. For the contest today is not between Planning and No Plan but between Socialist Planning in the interests of the whole nation and neo-Fascist Planning of the Elliot type which is to the advantage of sectional interests only.

#### A RISE IN PURCHASING POWER

In general it may be said that until the home market is supported by a rising purchasing power of the whole country, no agricultural policy can succeed. Marketing Schemes, run by farmers, middle men and manufacturers, will have a natural tendency to follow the easy line and organize security and high prices instead of organizing abundance and steady prices with low production costs. Milk Marketing Schemes for instance cannot solve the problem of the surplus milk, except by getting the country to drink more milk. One of the best ways of dealing with a surplus of this kind is to stimulate its consumption through the action of public bodies. The provision of free milk for children by the County Education Committees and for the recipients of outdoor relief by the Public Assistance Committees would greatly assist the solution of this problem.

It must be admitted that one of the great difficulties in the way of getting an increased consumption of milk is the attitude of the medical profession, which is seriously disturbed by the continued presence of bovine tuberculosis in our native herds and in imported milk products. The Government's recent Milk Act undoubtedly makes a beginning towards cleaning up our herds, which is all to the good. On the other hand, it shows a completely wrong conception of the problem in dealing with the matter of consumption. Instead of using what public money it

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<sup>1</sup> It would be undesirable on the other hand to put the Boards under direct control of Government departments. The retention of the producers is essential. There is a danger that farmers may obstruct and start producers' strikes unless they are given some share of control. This happened in Russia, and may happen in any country during social reorganization. If the farmers are given some influence on the Boards, they are much more likely to submit to control over their methods of production.



has available for stimulating demand, the Government uses it to subsidize manufactured milk products to prevent them falling below present prices. This is merely encouraging more production or at best maintaining it at its present level, while keeping consumption where it is. Thus the present position of deadlock on the milk and dairy produce markets is likely to be maintained.

Again in the matter of sugar no attempt is made to encourage its consumption. Under the Sugar Act an organization is set up which makes the big sugar refineries the price dictators of the market without any adequate machinery to safeguard the consumer. The creation of such a sectional dictatorship is one of the best examples of the new neo-Fascist Planning which Socialists must seek to transform in the general interest.

### THE BACON SCHEME

Let us now turn to the Bacon and Pig Marketing Scheme and see how it is working in practice. It will be understood that bacon is an article which needs a more complicated system of classification than milk and that payment according to quality is a greater feature of this Scheme than is the case with milk. Even in the Milk Scheme a bonus system of payment for higher quality milk is being worked out for next contract period. But in the Pig Scheme the whole basis of payment is on a sliding scale according to the dead weight of the carcass and a complicated formula for the quality of the bacon. The basic price of the bacon rises and falls with the prices per cwt of feeding stuffs and the wholesale price of bacon. On to that comes a bonus if the pig is delivered at the optimum weight of seven score and deductions are made from the basic rate for bacon delivered above the optimum weight. Also bonuses and deductions are given and made according to quantities and thicknesses of fat.

It can be said at once that a good deal of dissatisfaction with the working of this Scheme has been expressed by Pig producers. First of all, the private bacon curing interests are left in almost complete control of the grading processes. Inspectors from the Pig Board are appointed, but control is difficult under these conditions, and producers have been complaining loudly. For instance, it has often happened that a bacon side of which 80 per cent is first class is put into a lower class for payment because 10 per cent of it has a small defect, thus enabling the curers to get 80 per cent first class bacon at third rate price. A much stricter control is needed if the confidence of the producers in the Scheme is to be gained.

It is moreover an open question whether it is desirable to leave the pork market open as it is at the present time. Farmers

are free to sell on the open market bacon pigs and porkers. The latter can only be sold on the open market, the former both open and by contract with the bacon factories under the Scheme. The Scheme carries with it a control of imports depending on the amount of bacon pigs contracted for. There is no doubt that the contract system with the factories under the Scheme has helped the open market and raised the price of pork, and consequently farmers who may make little or no profit under the bacon Scheme can do so on the open market with porkers. There is a temptation therefore for farmers to neglect bacon contracts under the Scheme and to rush to the open market, and this, if done extensively, would wreck the bacon scheme. It remains to be seen if farmers have sufficient self-control to divide their operations between the open and the contract market. If not, the pork side of the business should be included in the Scheme.

One feature of the Bacon Scheme should not be overlooked. It is possible for smallholders, feeding two or three pigs a month, to enter into group contracts with bacon factories. A grader is appointed for each area, and his duty is to collect and bulk contracts. The Scheme does not appear to have taken on extensively as yet, but the principle is undoubtedly sound.

#### THE POTATO AND BEEF SCHEMES

The Potato Scheme differs from the others in that the Board does not control the price by contract but by increasing or decreasing the size of the riddle from time to time, thereby raising or lowering the quantity of potatoes coming on the market. There is also another important feature, namely that no producer may increase his acreage of potatoes without being subjected to a special levy per acre, thereby penalizing him. This is the beginning of control over production exercised by a semi-public Board.

The Beef Scheme is not as yet in operation, but the plan announced for the present is the simple one of subsidizing the producers out of the taxpayer's pocket—the worst possible method of handling the problem. It is true that the setting up of a Beef Marketing Board and Central Slaughter Houses is foreshadowed, but this is all postponed pending successful negotiations with the Dominions and the Argentine on the restriction of meat imports. This is the proper method of approach, but it is more difficult to organize than Milk and Bacon, because of the slow maturity of cattle, the long contract period and the chaotic state of the provincial butchering business in home-grown meats.

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**Import Control**

The fate of the Home Marketing Schemes depends on the existence of a higher wholesale price for the producer with no increase in retail price for the consumer. But these can be completely undermined unless there is a control of the quantities imported. Foreign dumping may knock the bottom out of any price policy. Therefore it is necessary to pay attention to the control of imports. There exists at present a sort of hybrid system of tariff-cum-quota in operation in this country. The Tariff Board has been given statutory powers by Parliament for imposing tariffs, and undoubtedly the price structure at the present time is partly conditioned by the tariff on all sorts of agricultural produce coming into the country. Although tariffs are an unscientific method of regulating prices and are liable to be evaded by exchange dumping, it would be difficult to get rid altogether of tariffs at once. The question should be explored whether it would not be better to convert the Tariff Board into a Central Import Control Board and through it to effect an elimination of tariffs and the substitution of State Import Monopolies. At the same time it is possible that the retention of tariffs on some articles may be desirable. It is not easy to control soft perishable fruit and flowers by an Import Board and a tariff may be useful in bringing revenue to the State from a luxury article the consumption of which it is not wanted to encourage.

**HOME PRODUCTION COSTS**

Objections are always sure to be raised in this country against any form of import control whether in the form of tariff, import board or quota. The long tradition of free trade and the fact that a portion of our population works for the export trade has given the trade an industrial policy of this country a strong consumers' tendency. Indeed, formidable arguments may be raised against any policy which aims at raising the prices of imported food products above the level of the world market and up to a level of what the British farmer imagines is his cost of production. It has been suggested that this would mean an increase of £256 millions on to the present cost of imported food if prices were raised to this level. It may, however, be pointed out that the home producer cannot expect to fix his own costs of production and expect the State to force imported products up to his level. In actual fact while costs of production are in many cases much cheaper abroad, there is a considerable field for the cheapening

of costs of British food production. A commercial policy aiming at regulating foreign imports would have to work for a price based on the lowest, not the highest, costs of production that are known. The farm costings results which are published by our agricultural institutions show considerable, often wide, divergencies in production costs from district to district. Thus, wheat grown on loamy soils of East Anglia with the help of the tractor may be produced several shillings a cwt cheaper than on the heavy clays of the West. The cost of milk production is lower on the first quality pastures of the Midlands, where high rents are paid, than on poor grass farms along the Welsh borders. Therefore there can be no question of forcing up the prices of imported food to the level which will bring *all* farms, even the most unprofitable, into profitable production. The agricultural industry must continue the process of cheapening production costs by modern methods. The marketing schemes are one way of eliminating waste and lowering costs to the consumers, if they are properly worked, which however they are not at the present time.

#### FOREIGN TRADE POLICY

Meanwhile if any progress is to be made at all there must be a limit to the quantities of foreign produce which enter this country in a given period, otherwise all orderly planning of the home industry becomes quite impossible. Many critics of the Elliot regime, frightened by the rise which it has caused in the price of certain foodstuffs, carp at all agricultural regulations. They perform a useful purpose in acting as a check upon attempts to exploit the consumer in the interests of the producer, but have no alternative constructive policy to offer. Socialists must be quite as prepared to plan as young Conservatives. The distinction they should emphasize, as stated earlier, is that planning should be carried out in the interests of the whole country rather than on behalf of certain favoured interests.

A planned agriculture must definitely fit into a National Plan for the economic development of the country as a whole. This country has undoubtedly lost a considerable part of its export trade. The decline seems however to have been definitely checked by the growing use of bilateral agreements for the regulation of international trade. The further foreign trade is regulated the easier it should become to work out and operate a National Plan. It is already becoming clear that Great Britain will be forced to permit the import of a large range of agricultural products if she is to secure overseas markets for her coal and manufactures, and if debts owed to her are not to be repudiated. This means that the field offered to British agriculture will be a limited one despite

moves which have been taken towards a greater measure of self-sufficiency. To make the best of this limited field it is necessary first of all to decide what forms of agricultural produce this country is most suited to produce and then to plan for their production in the most efficient way. This can only be done if rigid control of the import of these particular products is taken by the Agricultural Planning Authority, under the supervision of a National Planning Body.

#### METHODS OF IMPORT CONTROL

As regards the present Government's method of regulating imports they have chosen the two worst of three possible methods. Tariffs, as has been shown above, are only useful in certain special circumstances. Quotas are more effective than tariffs, but with a lack of elasticity in demand they have the effect of forcing the consumer to pay more to the foreign importer for less volume of produce, while the home producer gets only a fraction, if anything, of the increased price. Let us take the case of bacon. To help the Pig Marketing Scheme there are restrictions on imported bacon. In 1933 we imported 9 million cwt at an average cost of 66s a cwt; in 1931 we imported just under 11 million cwt at an average price of 59s a cwt, a rise of 17s a cwt. The foreign and Dominion importers have been paid £2 million more in the aggregate for 2 million cwt less produce. Meanwhile the home producer under the bacon contracts of the Board has barely covered his cost of production. There can be no satisfactory method of dealing with this problem along the line of simply shutting out foreign produce. A system of public control must be set up over the whole of the importing machinery to ensure the interest of the public.

The need for import regulation is greatest perhaps at the moment in meat and dairy produce. The price of liquid milk is steadily undermined by the import of cheese and of tinned and powdered milk products. On the other hand, a State Import Monopoly should make it possible to lower retail prices to the consumer, while guaranteeing a higher wholesale price to the producer at home. Thus if a Bacon Import Board were set up and worked together with the existing Home Bacon Board, an arrangement like this might be worked. A home quota of 20 per cent of our national bacon requirement might be given to the home pig producer and 80 per cent to the foreign and Dominion producers. The Bacon Import Board might negotiate a price, say, of 8s a score for the 80 per cent of imported bacon. The home producer might be guaranteed a price of 12s a score above the imported price. In time the home quota might be raised to

50 per cent at 12s a score. If the foreign price remained at 8s, the resultant home price to the consumer would be 10s a score. Under this scheme cheap imports would be used to subsidize the home producer and keep the retail price down. On the other hand, this method may be found difficult to work in practice, and the sliding price scale not easy to formulate. It has also been argued that the mere fact that the consumer would be paying even a small price above the world market price would make a scheme of this kind unpopular.

The higher price asked from the home consumer must be more effectively masked than is possible under this scheme, so it may be as well to consider whether in some cases other methods of import control may be better. Owing to the tendency of the grain importing, milling and meat importing business to get into the hands of a few big concerns, the time is getting ripe for bulk national contracts, at least of cereals and meat.

To some extent this is already taking place under private enterprise. Agreements between countries to stabilize the price of an article are in operation today. Thus an agreement between Germany and Poland to control the price of rye in the respective countries by import and export controls has been going some time. A State cereal monopoly exists in Norway and a national organization for the import and sale of certain products exists in Switzerland. The main principle of these schemes is really subsidy. The import of the article in question is centralized either through a private corporation operating under statute or through a public corporation. A levy is made on everything purchased by this import monopoly and the proceeds used to pay a higher price than the world market price to the home producer of the same article. This is also the principle behind the British Wheat Quota Scheme. It is really a subsidy levied on the home price for the benefit of the home producer, but it is masked. Or it may be put another way. Profits are made by the import monopoly on business in foreign imports. Instead of all these profits going to the consumer, some of it can go to the home producer. The advantage of this method is that it is simpler and more easily workable than the more scientific scheme of the differential home and world market price, based on a home and foreign quota.

#### TYPES OF IMPORT BOARDS

We must finally consider the actual form of organization for controlling imports. Various methods suggest themselves. It may first be thought advisable to use the existing private import machinery which has been built up over decades. A central commission would be set up over the existing importing agencies.

These would operate on a quota basis and with a standard rate of commission. This would be the cheapest way, but it would leave private agencies in a position to make uncontrollable profits on forward speculation, and the whole business of warehousing, milling, slaughtering and utilizing by-products would remain in private hands.

The other method would be to take over the whole import apparatus at a valuation. This would involve forcing statutory amalgamations of existing private concerns to form a single Public Utility Corporation with monopoly right to import. This new corporation would buy out the existing concerns at a valuation. The question would then arise, how would these corporations be related to the Home Marketing Boards handling similar produce of home origin. It would hardly be desirable to allow the Home Marketing Boards to take over and control the importing apparatus. Certainly this could not be permitted to a Home Board on which producers had the sole influence, because they would be naturally interested in restricting imports. If the Home Boards were "all in" and contained representatives of all parties to the transactions, including the consumers and the State, there would be an advantage in leaving this body in control of the importing apparatus because it would save duplications. Alternatively there could be separate Import Boards and separate Home Boards with Joint Committees made up of both bodies to decide on matters of policy affecting both of them.

Finally, one may say that the time has come when import control should become an integral part of the plan to stabilize prices, of which the setting up of Home Marketing Boards was the first step. The details can be settled later, but the possible methods of setting up the Boards and their interplay with each other have been indicated above.

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## CONCLUSIONS

1. The present Marketing Boards have not solved the major difficulties arising out of the relation of producers and distributors. They represent a form of neo-Fascist Planning which is to the advantage of sectional interests only.

2. New Model Marketing Boards are required which will put national interests before sectional interests. This is the essential difference between Socialist Planning and Planning of the Elliot type.

3. The New Model Marketing Boards should be "all-in" Boards. Producers and distributors should have equal representation on them, *but should not together be in a majority*. Representation should also be given to the Ministry of Agriculture and other Government departments such as the Board of Trade. Consumers' interests should be further safeguarded by representatives of the larger Cooperative Societies.

4. The new Boards should devote greater attention to increasing consumption than present Boards have done.

5. British agriculture will have to fit into a National Plan for economic development of the country as a whole. To make the best of the limited field which will thus be offered to British agriculture it will be necessary to concentrate production on the most suitable products.

6. The control of the import of these agricultural products by Public Boards is an essential part of a National Plan for Agriculture.

7. These Public Boards should either be the same bodies as the New Model Marketing Boards or should work in close relation with them.



## APPENDIXES

For a useful summary of the provisions of the legislation and administrative actions which have created the new Agricultural Policy now in operation in this country, see *The Agricultural Register, 1933-4* (Oxford: Agricultural Economics Research Institute; 3s. 6d.). The following extracts are taken from this source :

## I THE AGRICULTURAL MARKETING ACT, 1933

## GENERAL

The most important principle introduced by this Act was the power to regulate supplies, both of imports and of home-grown produce. The Agricultural Marketing Act, 1931, had already provided machinery to enable a majority of producers of a commodity to regulate the marketing of their produce by methods which would be binding on the minority. Without this element of compulsion, marketing schemes would have been likely to fail, as they had failed in the past, but if farmers were to surrender their right to market their goods in their own way, they would expect compensation in the form of better prices, and it was objected that the adoption of measures for joint marketing of home supplies without measures for controlling the volume of import of produce from abroad, would not necessarily affect prices at all.

In fact, only one scheme was prepared under the 1931 Act alone, viz. for hops, a crop already protected by heavy import duties.

The declarations of the National Government, which came into office very soon after the passing of the 1931 Act, and its actions in negotiating the Ottawa Agreements and in limiting certain imports of agricultural produce by agreement with the chief exporting countries, justified the preparation of further schemes, and led naturally to the Agricultural Marketing Act of 1933. Under this Act, the reorganization of the marketing of any home grown agricultural product may proceed under the shelter of an order regulating the imports of that product. It may be said, therefore, that the machinery for formulating and operating schemes for the reorganization of agricultural marketing is provided mainly by the 1931 Act while the inducement to use it is the Act of 1933. The two Acts should be read together.

## MARKETING SCHEMES

Under the Acts a scheme to regulate the marketing of any agricultural product or secondary product derived from an agricultural product may be submitted to the Minister, either by a representative body of the producers themselves, or by a Marketing Reorganization Commission constituted by the Minister. Up to the end of 1933, nine schemes had been submitted. Three of them (Pigs, Bacon, Milk) were based on recommendations of Reorganization Commissions; the remainder were drawn up and submitted by the producers or by their immediate representatives, direct.

When a scheme has been submitted, opportunities must be provided for objections to be raised to it, and a public inquiry must be held. If the Minister is satisfied that the scheme will conduce to the more efficient production and marketing of the product, he may then lay it, with or without modifications, before Parliament. If Parliament resolves that the scheme shall be approved, the Minister makes an order approving it, and specifying the date on which it shall come into force. Up to the end of 1933, the following schemes had been approved and brought into operation :

<i>Regulated product</i>	<i>Area of scheme</i>	<i>Date on which principal provisions were brought fully into operation</i>
Hops .. .. .	England and Wales .. ..	6 Sept. 1932
Milk .. .. .	Scotland (South of Grampians)	1 Dec. 1933
Pigs .. .. .	Great Britain .. .. .	9 Sept. 1933
Bacon .. .. .	Great Britain .. .. .	9 Sept. 1933
Milk .. .. .	England and Wales .. ..	6 Oct. 1933
Potatoes .. ..	Great Britain .. .. .	Approved, but not yet in operation

Every scheme must provide for the registration of every producer who applies to be registered, and it must constitute a board to administer the scheme. The next step, after the scheme has been approved by the Minister, is for a poll of the registered producers to be taken at which there must be a two-thirds majority of producers, who must represent two-thirds of the productive capacity of the producers, in favour of the scheme. Failing these majorities the scheme lapses, as did the Scottish Raspberry Marketing Scheme, for example.

In the meantime the imports of the product may be limited by the Board of Trade, having regard to the interests of consumers and to the effect that the limitations are likely to have upon the actions of other countries. The sales of the home-produced supplies of the product may be regulated by the Minister.

#### BOARDS, COMMITTEES, AND BODIES CREATED UNDER THE ACTS

Provision is made for various bodies to be set up under the Acts :

(a) *Agricultural Marketing Reorganization Commissions*, each of which consists of a chairman and four other members appointed by the Minister. Their duties are to prepare marketing schemes which the Minister shall bring to the notice of the producers concerned, to investigate matters affecting any other schemes, to recommend measures to promote co-operation between marketing boards and other persons, etc.

(b) *A Marketing Board* for each product for which a scheme is submitted. The constitution of each board depends on the provision of the scheme. Its duties are to administer the scheme.

The following Marketing Boards had been set up by the end of 1933 :

	<i>Date on which scheme comes into force</i>
Hops Marketing Board . . . . .	8 July 1932
Scottish Milk Marketing Board . . . . .	26 May 1933
Bacon Marketing Board . . . . .	6 July 1933
Pigs Marketing Board . . . . .	6 July 1933
Milk Marketing Board . . . . .	29 July 1933
Potato Marketing Board . . . . .	21 Dec. 1933

(c) *A Development Board* for each development scheme, consisting of a chairman and two other persons appointed by the Minister, together with a number of others elected by the constituent marketing boards. Its duties are to administer the scheme.

No Development Boards have yet been set up.

(d) *Consumers' Committees*. There is one for England and Wales, one for Scotland, and one for Great Britain. Each consists of a chairman and not less than six other members, appointed by the Minister, representing the interests of the consumers of all products regulated under the Acts. Their duties are to report on the effect of schemes on consumers and on complaints made by consumers.

The Consumers' Committees consist of the members of the Food Council, which was reconstituted on 8 December, 1933.

(e) *Committees of Investigation*, which correspond to Consumers' Committees, each consisting of a chairman and four other members, appointed by the Minister. Their duties are to report on the reports made by the Consumers' Committees and on complaints outside the scope of Consumers' Committees.

Only one committee has been appointed. It will act both as the Committee for England and Wales and as the Committee for Great Britain.

(f) *A Market Supply Committee*. This is composed of a chairman and not more than four other persons, appointed by the Minister of Agriculture and Fisheries and the Secretaries of State concerned with agriculture in Scotland and Northern Ireland. Its duties are to review the circumstances affecting the supply of agricultural products in the United Kingdom, to recommend steps for regulating the supply, etc.

(g) *Agricultural Marketing Facilities Committees*. There is one for England and Wales, one for Scotland, and a third, composed of members of the other two, for Great Britain, appointed by the Minister. Their duties are to consider the making and renewal of loans out of the Agricultural Marketing Funds.

## POWERS OF MARKETING BOARDS

The powers which a Marketing Board may exercise include the following :

1. to buy the regulated product and to manufacture other products from it ;
2. to sell, grade, pack, store, adapt for sale, insure, advertise, and transport the product ;
3. to require the registered producers to market the product, in such quantities as may be determined, only to or through the agency of the Board ;
4. to buy, and to sell or hire to producers anything required to produce, adapt, or sell the product ;
5. to determine the description of the product which may be sold, and the price at, below, or above which, the terms on which, and the persons to or through whose agency, the product may be sold ;
6. to regulate grading, marking, packing, storing, adaptation for sale, insuring, advertising, and transporting ;
7. to demand information from producers ;
8. to promote or conduct co-operation, research, and education.

And every scheme must provide among other things that :

1. with few exceptions unregistered producers may not sell the product ;
2. the Board may impose penalties for contravention of the provisions of the scheme ;
3. a fund be contributed by the producers to be used by the Board for working the scheme.

## FINANCIAL PROVISIONS

The funds provided for under the Acts are :

1. a fund for each marketing board, constituting its ordinary revenue, contributed by the producers and used for working the scheme ;
2. an Agricultural Marketing Fund for England and Wales ;
3. an Agricultural Marketing (Scotland) Fund.

The latter two are provided out of parliamentary funds and are administered by the Minister of Agriculture and Fisheries and the Department of Agriculture for Scotland respectively, acting on the advice of the Agricultural Marketing Facilities Committees. They exist for making loans to marketing boards, especially short-term loans in connection with the initial working of marketing schemes.

Loans of this kind have been made as follows :

- Hops Marketing Board, £550 (re-paid).
- Scottish Milk Marketing Board, £1,500.
- Pigs Marketing Board, £9,300.
- Milk Marketing Board, £22,250 (re-paid).

## AMENDMENTS, &amp;c., OF MARKETING SCHEMES

A marketing scheme may be amended or revoked by the Minister, acting on the report of the appropriate Committee of Investigation and after consulting the Board of Trade. Such action must be ratified by Parliament.

## II THE AGRICULTURAL MARKETING (No. 2) ACT, 1933

The purpose of this Act was to increase the financial powers of marketing boards and to extend the power to make loans to them.

## III REGULATION OF THE IMPORT OF AGRICULTURAL PRODUCTS, &amp;c.

A *The Ottawa Agreements Act 1932*

The purpose of the Act was to give effect to the agreements reached at the Imperial Economic Conference 1932.

## MAIN PROVISIONS

- 1 Customs duties, in addition to those already chargeable, shall be payable on certain imports into the United Kingdom. (*See list of orders below.*)
- 2 No such duties, nor duties under the Import Duties Act 1932, shall be charged on Empire products.

- 3 and 4 Increased preference is given for Empire wines, tobacco and coffee.
- 5 The Board of Trade may prohibit the imports of foreign goods of which the prices are manipulated so as to frustrate the preferences given to Empire products.
- 6 The Treasury may, in certain cases, add goods to the free list (of the Import Duties Act 1932) without any recommendation of the Import Duties Advisory Committee.
- 7 The Board of Trade may regulate imports into the United Kingdom of frozen mutton, frozen lamb, frozen beef and chilled beef in accordance with the "scheduled agreements" with Australia and New Zealand.
- 8 Subject to certain conditions, all Canadian cattle may be admitted into the United Kingdom.
- 9 to 14 Various other provisions.

The provisions of Section 1 of the Act were brought into operation as shown in the following table on 17 November 1932 :—

<i>Class or description of Goods.</i>	<i>Rate of duty.</i>
Wheat in grain .. .. .	2s per qtr of 480 lb
Maize, flat, white .. .. .	10 per cent a.v.
Butter .. .. .	15s per cwt
Cheese .. .. .	15 per cent a.v.
Eggs in shell :	
(a) not exceeding 14 lb in weight, per 120 .. .. .	1s per 120
(b) over 14 lb but not exceeding 17 lb in weight, per 120 .. .. .	1s 6d ,,
(c) over 17 lb in weight, per 120 .. .. .	1s 9d ,,
Condensed milk, whole :	
Not sweetened .. .. .	6s per cwt
Sweetened, or slightly sweetened .. .. .	5s ,,
Milk powder and other preserved milk excluding condensed, not sweetened .. .. .	6s ,,
Fresh or raw fruit :	
Apples (except apples consigned to registered cider factories) .. .. .	4s 6d per cwt
Pears .. .. .	4s 6d ,,
Grapes, other than hothouse (from 1 February to 30 June) .. .. .	1½d per lb
Peaches and Nectarines (from 1 December to 31 March) .. .. .	14s per cwt
Plums (from 1 December to 31 March) .. .. .	9s 4d per cwt
Preserved or dried fruits :	
Apples preserved in syrup .. .. .	3s 6d ,,
Figs and fig cake, plums (commonly called French plums and prunellos), plums not otherwise described, prunes, and raisins .. .. .	3s 6d ,,
Other fruits (except stoned cherries) preserved in syrup .. .. .	15 per cent a.v.
Honey .. .. .	7s per cwt
Linseed (1932, No. 1079) .. .. .	10 per cent a.v.
Cod Liver Oil (1933, No. 644) .. .. .	1s 4d per gall.

No frozen mutton, frozen lamb, frozen beef or chilled beef produced outside the British Empire may be imported into the United Kingdom, except under licence issued by the Board of Trade in accordance with the agreements with Australia and New Zealand, see Section 7 of the Act (1932, No. 992).

B SUMMARY OF OTHER TRADE AGREEMENTS

<i>Commodity</i>	<i>Duty</i>	<i>Agreement</i>	<i>Provisions</i>
Annato colouring .. .. .	10% <i>a.v.</i>	Denmark	..
Bacon and hams .. .. .	Free	Denmark	If regulated, the allocation to Denmark shall be 62 per cent of the foreign imports.
		Argentina	No new duties to be imposed on imports into United Kingdom.
		Sweden	Discussion before quantitative regulation. No foreign country except Denmark to receive minimum percentage allocation.
		Norway	Efforts to be made to leave supplies from Norway unregulated.
		Latvia	
		Estonia	Opportunity for discussion to be given before quantitative regulation, if any is undertaken.
		Finland	
		Lithuania	
Beef, chilled .. .. .	Free	Argentina	No restriction on imports in any quarter of a year below quantity imported in corresponding quarter of year ending 30 June 1932, except when necessary to secure remunerative prices in the United Kingdom. Imports will not be reduced more than 10 per cent unless proportionate reductions in chilled and frozen meat imports from all meat exporting countries.
Bilberries .. .. .	Free	Norway	
Bran and pollards .. .. .	Free	Argentina	No quantitative restrictions to be imposed on imports into the United Kingdom.
Butter .. .. .		Denmark	If regulated, not less than 2,300,000 cwt per year.
		Sweden	If regulated, not less than 185,000 cwt per year.
		Norway	Efforts to be made to leave supplies from Norway unregulated.
		Latvia	
		Estonia	Previous discussion, if supplies regulated.
		Lithuania	
		Finland	If regulated, not less than 198,000 cwt per year.
Calcium cyanamide .. .. .	Free	Norway	
Casings .. .. .	Free	Argentina	No quantitative restrictions to be imposed upon imports into United Kingdom.
Cheese presses .. .. .	15% <i>a.v.</i>	Denmark	..

**SUMMARY OF OTHER TRADE AGREEMENTS (Cont.)**

<i>Commodity</i>	<i>Duty</i>	<i>Agreement</i>	<i>Provisions</i>
Churns for butter-making .. ..	15% <i>a.v.</i>	Denmark	..
Churns for conveying milk .. ..	15% <i>a.v.</i>	Denmark	..
Churns and butter-makers combined	15% <i>a.v.</i>	Denmark	..
Cream in hermetically sealed con- tainers .. .. .	10% <i>a.v.</i>	Denmark	..
Cream separators .. .. .	15% <i>a.v.</i>	Denmark	..
	15% <i>a.v.</i>	Sweden	..
Coconut oil .. .. .	15% <i>a.v.</i>	Denmark	..
Eggs in shell		Denmark	5½ million great hundreds per annum, and in the event of further restriction not less than 38 per cent of foreign imports.
(a) not exceeding 14 lb. per 120	1s. per 120	Sweden	
(b) over 14 lb. not exceeding 17 lb. per 120 .. .. .	1s. 6d. per 120	Norway	In the event of quantitative regulation, opportunities for discussion will be given.
(c) over 17 lb. per 120 .. .. .	1s. 9d. per 120	Latvia	
		Estonia	
		Finland	
Fish meal except herring meal ..	10% <i>a.v.</i>	Norway	..
Hay and straw .. .. .	Free	Sweden	..
		Norway	..
Hay and grass mowers .. .. .	15% <i>a.v.</i>	Sweden	..
Herring meal .. .. .	Free	Norway	..
Horsehair .. .. .	Free	Argentina	No quantitative restrictions to be imposed on imports into United Kingdom.
Horseradish .. .. .	10% <i>a.v.</i>	Sweden	..
Linseed .. .. .	10% <i>a.v.</i>	Argentina	No new or increased duties or quantitative restriction to be imposed on these commodities.
Maize .. .. .	Free	Argentina	No new duties or quantitative restriction to be imposed on this commodity.
Meat .. .. .	Free	Argentina	No duties to be levied.
Milking machines .. .. .	15% <i>a.v.</i>	Sweden	..
Mutton and lamb chilled or frozen	Free	Iceland	No reduction shall be applied to imports from Iceland proportionately greater than that applied to imports from other foreign countries.
Nitrate of lime .. .. .	Free	Norway	..

## SUMMARY OF OTHER TRADE AGREEMENTS (Cont.)

Commodity	Duty	Agreement	Provisions
Premier jus .. .. .		Argentina	No quantitative restrictions to be imposed on imports into United Kingdom.
Raw wool .. .. .		Argentina	No quantitative restrictions to be imposed on imports into United Kingdom.
Rennet .. .. .	10% <i>a.v.</i>	Denmark	.. .. .
Seeds :			
Alsike clover .. .. .	10% <i>a.v.</i>	Sweden	.. .. .
Cocksfoot grass .. .. .		Sweden	.. .. .
Meadow fescue .. .. .	10% <i>a.v.</i>	Denmark	.. .. .
<i>Poa trivialis</i> .. .. .			.. .. .
Sharps and middlings .. .. .		Argentina	No quantitative restrictions to be imposed on imports into United Kingdom.
Unrefined tallow .. .. .		Argentina	No quantitative restrictions to be imposed on imports into United Kingdom.
Wheat .. .. .	2s. qtr	Argentina	No new or increased duties or quantitative restrictions upon imports into United Kingdom.
Yeast .. .. .	4s. per cwt	Denmark	.. .. .

Duties and other regulations have also been imposed on Agricultural Products under other Acts, the most important of which were The Import Duties Act, 1932, and The Irish Free State (Special Duties) Act, 1932.