

LAND and LIBERTY

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● Cover photo: U.K. forest farmland values – artwork by Henry Law

Certain failure

EUROPE'S presidents and prime ministers tried to agree on measures to reform the Common Agricultural Policy at their Athens summit: they failed.

So they deferred decisions until their next meeting, which will be held this month: they will fail again. Why?

Everyone knows that the source of the *economic* problem is that too much taxpayers' money is pumped into agriculture, which encourages the producers to churn out more food than the consumers can eat.

But fundamental reforms will not be engineered for *political* reasons. What are these?

The general explanation is that the farming vote is important, and in a democratic society account has to be taken of this reality.

This won't do!

Agriculture receives more aid than any other sector in the modern economy, yet its voting strength is miniscule. People engaged in agriculture and fishing are a small fraction of total civilian employment:

Australia	6.5%
Canada	3.0%
Denmark	7.4%
France	8.6%
Ireland	17.7%
New Zealand	11.2%
Britain	3.0%
U.S.A.	3.5%

Agriculture's strength comes in the form of money: the dairy industry in the United States contributed almost \$2m to incumbent Congressmen alone in the last two Congressional elections. This is a small price to pay for the \$5bn that the dairy industry received last year from public funds and artificially inflated shop prices.

And lobbying power, of course: farmers are the most effectively organised of all pressure groups. This power stems from the landowning elite's historical grip of the political processes.

● This explains why President Reagan has now executed a major U-turn – and agreed to sign a bill that, for the first time, will pay farmers not to produce milk.

To reduce the surplus milk, the U.S. Department of Agriculture now wants pizzamakers to be ordered by law to increase the cheese content of their products.

● This explains why the budget-cutting Prime Minister of Britain, Mrs. Margaret Thatcher, has allowed her Chancellor of the Exchequer to increase spending on agriculture by £437m in the next fiscal year.

It would be wrong to assume, however, that these policies favour tenant farmers or workers: they do not. The net benefits of the multi-billion-dollar spending programmes are translated into higher rents and land values.

Which is why the Common Market's political bosses will not be able to slice the two-thirds share of the EEC budget that goes to agriculture.

Too many landowners (who may or may not be working as farmers) would lose heavily.

As the Royal Institution of Chartered Surveyors state in a memorandum to Britain's Ministry of Agriculture headed "CAP reforms – Grapes of Wrath":

"If quotas were allocated to individual farms, rent levels would show marked differences, farms with quotas being at a premium while those without would command lower rents, with an associated decline in their land values.

"Differences in rent levels and land values would also become more marked if quotas were allocated on a regional basis."

British farmers receive between £10,000 and £13,000 each from the taxpayers. That money bolsters rental levels and land values. And that is why the presidents and prime ministers of Europe will not be allowed to introduce radical reforms to the Common Agricultural Policy.