



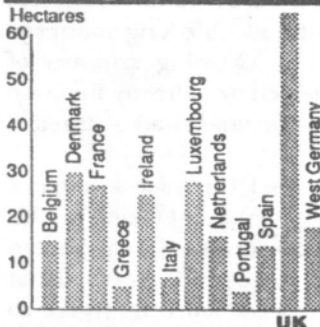
# Round the world

## BRUSSELS Rent-seekers

**COMMON** Market ministers claimed a major victory when they sealed a deal to restructure the common agricultural policy (CAP). Pressured by Washington, the Europeans finally agreed to adopt policies aimed at reducing market distortions.

They are not the only guilty ones. Globally, taxpayers and consumers in industrial countries are worse off to the tune of \$100 bn (£57 bn) because of agricultural support. Where does the money go? According to Lloyds Bank *Economic Bulletin* (May): "Around half is transferred to landowners, and the rest is lost in inefficiency. Poor farmers and farm labourers appear to gain little." A British professor, David Harvey of Newcastle University, estimates that a higher figure - two-thirds - of the CAP's £26 bn slush-fund is wasted.

## Average farms in EC



Europe's new plan will shift subsidies from output (for the stockpiles) to direct payments to farmers - including large farmers, at Britain's insistence. Analysts now note that this will not significantly reduce production nor food prices.

So who reaps the rewards? Lloyds Bank notes that a cut in subsidies ought to work in a reverse direc-

tion: be passed on to owners in the form of lower land values. The new plan, however, increases the cost of CAP and requires the setting aside of 15% of land from production - for which owners will be rewarded. Result: an increase in Brussels' bureaucracy, a buoyancy in land rental values, and a return of food surpluses by the decade's end.

## LONDON Kerb-crawlers

Police have been confronted by a new "explanation" by kerb-crawlers, in recent months. Suspicious-looking motorists, questioned for loitering in neighbourhoods, have said they are valuing properties for the council! The "valuation" involves 21 million residential properties, which become liable for property taxation when the notorious poll tax is scrapped next year. Valuations, at fees between 20p and £10.95 per property, have to be completed within 20 weeks.

## MOSCOW Private farms

Food production will reach its crisis level this winter, according to Leonid Abalkin, director of the Institute of Economics at the Russian Academy of Sciences. By last February, the number of private farmers had reached 60,000, each farming 40 hectares on average. But the transition from collective farms will result in a collapse in sowing areas by between 40 to 60%.

## COSTA RICA Land Boom

Speculators are being coaxed into buying land in this central American state, which is noted as a haven of political stability.

According to Taipan, an investment bulletin, "Costa Rican property has been appreciating at breath-taking speed. Prices have doubled, even tripled in some of the most sought-after areas over the past five years."

Choice area for real estate is being identified in the Central Valley, where an acre of land "typically costs between US\$15,000 and \$150,000. But in other parts of the country, land can be bought for US\$3,000 to \$4,000 an acre."

## SAO PAULO Farm slavery

The scope for turning homeless workers into slaves is blamed on the IMF by an official of the State National Social Security Institute. Brazil officially abolished slavery 104 years ago. Last year, however, nearly 5,000 people were kept as slaves on 27 agricultural establishments (mainly Amazon cattle ranches or sugar cane distilleries), according to the Roman Catholic's pastoral land commission.

## OXFORD Right of way

Lord Rotherwick, who recently bought a 1,500-acre property in Oxfordshire, forced a council to take legal action because he blocked people's access to footpaths. Now the lord wants £1.5m compensation. A similar deal was struck by the Duke of Westminster over a six-mile footpath in the Trough of Bowland. Landowners, criticised by rambles for closing vast tracts of countryside, claim their action is motivated by the need to conserve wildlife.

## Sydney Court ruling

The fiction that Australia was

not inhabited before the arrival of the white man has been scotched by a high court, which quashed the legal doctrine used by Captain Cook to seize Australia for Britain. The doctrine, known as terra nullius, was overruled by 6-1. The judges concluded that aboriginals were entitled to "possession, occupation, use and enjoyment of the Murray Islands." Aboriginal leaders are now demanding a new treaty that recognises their land claims.

## RIO DE JANEIRO Alternative Tribal Summit

A group representing indigenous peoples published an alternative declaration at the Rio environment summit, which called for self-determination and recognition that they owned the natural resources taken from their lands.

## TEL AVIV Peace prospects

Israel's Likud party - which refused to accept the principle of swapping land for peace - lost the election on June 23 to Yitzhak Rabin's more conciliatory Labour Party, which promised to reach an interim agreement over Arab control of the West Bank.

## WASHINGTON Right to pollute

Wisconsin Power and Light's right to pollute the air has been sold to a company 1,000 miles away. Wisconsin is a "clean" company based near the Canadian border. It is now richer by nearly \$3m (\$300 for each polluting ton), having struck the first air-rent deal in a new commodity market with the Tennessee Valley authority.

# News in Brief