



LIE OF THE LAND  
by Duncan Pickard PhD  
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## LIE of the LAND

A Study in the Culture of Deception



Duncan Pickard PhD

The most ridiculous source of public finance is the opposite of an eco-tax, right?. And the opposite of an eco-tax is a subsidy for the use or abuse of natural resources, which is what agricultural subsidies – by the \$billion in the European Union (EU) and the USA – amount to.

The author is a true son of the soil, raised on a farm but also gaining notable academic qualifications ..... and has also “seen the geoist cat”. From first-hand experience, the first part of the book (suitably entitled *The Big Lie*) lays bare the appalling inefficiencies (and consequent environmental wastefulness) of EU agricultural subsidies. The contorted mathematical formulae that give rise to these colossal handouts:

- lead to concentration of landownership
- largely benefit the rich (subsidies just push up rents paid by tenant farmers)
- do little to make food more affordable, but rather push up land prices
- encourage large-scale holdings (with more fossil fuel input and unemployment)
- further lead to the depopulation of rural areas
- requires massive amounts of record-keeping (diverting farmers from productive work). There’s an amusement section on how every bovine animal has to have a passport which resembles a cheque book with many pages to record all sorts of data
- make it extremely difficult for would-be farmers to enter the market
- lock out Third World farmers from EU markets
- rather than promote efficiency, divert landowners into seeking more and more subsidies
- help fuel land-price gyrations and economic boom-bust cycles

The solution to this dog’s breakfast of red tape and economic insanity is the breathtakingly elegant and simple geoist paradigm, which I’ll leave to the author to outline in the first quote below. How billions of people can be stooged in such a massive (in financial terms) way is largely do to both ignorance of ordinary consumers and taxpayers, plus the devious machinations of vested interests. These latter bogeymen are:

- (1) the big beneficiaries of subsidies
- (2) those who want to trade and speculate in land
- (3) bankers who feel more comfortable when the value of collateral is high (instead of looking at the long-term, sustainable productivity of an agricultural concern, which is fostered by LVT)
- (4) land agents selling on commission
- (5) the big bully-boy in this story, the IMF – again, read the author’s own words in the second quote below

The book is a great read, and the author is to be commended for his sound grasp of geoist principles and its many applications to agriculture. By no means do you need any famili-

arity with agriculture to appreciate its message – rather, anyone with the faintest interest in economics, sustainability and social justice should value reading it. Members can borrow the book from our library, or you can order it through our office.

“The removal of grants and subsidies need not have a negative impact on the profitability of farming. Without the burden of existing taxes, farmers would be able to return to farming and concentrate on producing the goods that consumers want. Those who are convinced that unsubsidised farming can never be profitable can take comfort from the fact that if farmers are unable to generate profit (which means the land they occupy would not attract rental charges), there would be no payment to the Exchequer. But when fixed costs have been reduced, there is little doubt that a taxable surplus will be produced. Those markets for primary produce in which we now have difficulty competing, such as dairy produce from New Zealand, would become more open to us. Instead of farming to maximise subsidy income we would pay more attention to the demands of the market. When incentives to maximise the amount of land owned is replaced by incentives to maximise profits through the ability to keep what we earn, the vitality of rural communities will return.” (p. 48)

“The IMF is also opposed to adopting a fair system of public finance – it wants to lend more money at high rates of interest and is against anyone who says the Russians do not need to borrow money. Our proposals were condemned by the IMF as not being “capitalist”, to which we reply: “No capitalist sells when he can make sufficient money by leasing!” (p. 54) □