

# Farm cartel burdens

## CAP the lot

By ROY DOUGLAS

WHEN FOUR non-political organisations as important and as disparate as the World Wildlife Fund, the Council for the Protection of Rural England, the Catholic Institute for International Relations, and the Consumers in the European Community Group, make a joint statement on a matter of public interest,<sup>1</sup> it is certainly worth taking seriously what they have to say. These four organisations have recently produced a penetrating criticism of the workings of the Common Agricultural Policy (CAP) of the European Economic Community (EEC) in the form of a letter to the President of the European Commission.

The CAP is not only by far the most expensive item of the EEC budget; it represents almost twice the total of all other EEC spending put together. The effect of the CAP is to compel the taxpayer to subsidise certain kinds of agricultural production through farm support prices, while at the same time import duties are set on many kinds of food from outside the EEC, which naturally makes that food dearer in the shops.

As the four organisations point out, the burden which this imposes is necessarily most heavy on the poorest people, who spend up to 30% of their income on food.

This sort of observation, no doubt, explains the concern felt by a body like Consumers in the European Community Group about current practices of the CAP. But how does an organisation like the Catholic Institute for International Relations become involved in the protest? The CIIR is particularly concerned with social justice and economic development in the Third World, and the Third World is affected in a very adverse way by the CAP.

The capacity of the Third World to raise its living standards depends to no small degree on the willingness of others to buy its

agricultural products. The CAP operates against this in two ways. First, the customs barriers imposed by the EEC (which are essential for the operation of the CAP arrangements) make it more difficult for outsiders to sell in European markets.

Second, the surplus EEC production, for which the European taxpayer has been compelled to pay, does not return to the European consumer at low prices, which is what one might expect from a glut. The "lakes" and "mountains" of surplus food are eventually unloaded on world markets at heavily subsidised prices, with which the Third World cannot compete.

Considerations like these explain the concern of organisations established to combat poverty, whether in Europe or in the developing countries. But how have two famous environmental organisations become involved in the protest?

The CAP positively encourages the farmer to bring the scarce patches of wild land under crops, or under intensive grazing. He is given subsidies to spread weed-killer and fertiliser, to grub up hedges and woodland, to drain the vanishing wetlands.

It is not the stimulus of the natural market of consumers, but

the artificial stimulus of the CAP, which is paying him, with taxpayers' money, for doing the very things which conservationists agree ought not to be done.

These criticisms which the four organisations level against the CAP do not complete the list of grievances. A remarkable Australian study<sup>2</sup> raises other important points. It argues that the overall effect of the CAP has been to deflect no less than £8.9 thousand millions from manufacturing and service industries. This ultimately adds nearly half a million to the appalling numbers of unemployed in Britain alone.

A RATHER striking feature of the letter written by the four organisations is that they set the blame squarely on the shoulders of the European Council of Ministers and the so-called European "Parliament" rather than the EEC Commission.

*Why should that be the case?* The letter does not state, but we may make a reasonable conjecture. The Commission is essentially a bureaucratic body, which is intentionally kept as free as possible from political pressures. The Council of Ministers and the European "Parliament", by contrast, are bodies composed of politicians.

Within most of the EEC countries, Governments are poised on narrow majorities, and are very susceptible to the activities of economic pressure groups like our own National Farmers' Union.

Although the great majority of people in the EEC have every-

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<sup>1</sup> Letter to Jacques Delors, and Press release, of 15 April 1987.

<sup>2</sup> "Effects of EEC Agricultural Policies", Bureau of Agricultural Economics and Centre for International Economics, Canberra, 1987.

<sup>3</sup> Michael Prest: "EEC policy cost UK 'nearly 1/2m jobs'." *The Independent*, 11 May 1987.

employed, that one hesitates to infer the main motive as an effort by landholders to avoid the obligations then current, and possibly in the future to be imposed through a completed Domesday Book.

But taking all this with the information in the book now under review, and in particular the details of the financial embarrassment of the Kings in 1286 and 1289, it is submitted that the motive is not misrepresented.

Indeed, this is supported by detail in pages 217 and 218 of the book, where there appears the following passage: "During the reign of Henry II" (1154-1188) "the Royal Courts had been concerned to protect seisin of freehold."

Feudalism was still very much alive, tenants by service still contributed heavily to the defense of the realm; the fief was still an economic base for the support of a man-at-arms and his family. But by the reign of Edward 1st much had altered; the outward formalities of tenures failed to conceal the fact that men invested in land as a means of accumulating wealth.

Although feudal forms of tenure persisted, tenures were bought and sold freely in an active market. If this traffic in land were not regulated, it would quickly spawn long chains of tenure and deprive great barons

and magnates of the incidents of feudal tenures.

By statute Edward provided for the substitution of the buyer for the seller in any transfer of lands and prohibited further subinfeudation of land. Thus the Statute of Quia Emptores regulated the buying and selling of land with the intention of preserving to the Barons - and the Crown - the wealth obtainable from wardships marriages and escheats".

From these beginnings the absolute private ownership of land progressed. Already the 1215 version of Magna Carta contained provisions to provide for inheritance for continuity of the family. Gradually the ownership of land became vested in fewer and fewer people. This process was accentuated by the Enclosure Acts later on (there were 4091 such Acts between 1700 and 1844).

The consequence was that by 1932 the land of our country was owned by 2% of its people. This was the situation which was recognised as a social evil from biblical times and the law given to Moses on Mount Sinai provided for a re-distribution every generation of 50 years (Jubilee). "Ye shall not therefore oppress one another" (Leviticus Chapter 25 V17).

By Section 1 of the Law of Property Act 1925 on legal estates

and equitable interests it was declared: "(1) *The only interests or charges in or over land which are capable of subsisting or of being created at law are: (a) an estate in fee simple absolute in possession; (b) a term of years absolute.*"

The words still have legal connotations, but, they are "freehold" and "leasehold" respectively. However this declaration was substantially foreshadowed by the Conveyancing and Law of Property Act 1881 and that was only declaratory of the situation as to land tenure which had grown up over the centuries.

Land monopoly had serious social consequences of which there is monumental evidence still standing. On the one hand there are the huge houses of the landed aristocracy. One of them has 365 rooms. On the other hand there are the workhouses for paupers, some of which still exist.

I read as a child a chant as a pauper funeral passed. It ran:

*"Rattle his bones over the stones,*

*He's only a pauper who nobody owns!"*

Many of the paupers were able-bodied men who had to crack stones for a night's lodging. The welfare state and the industrial revolution have intervened but the social evil of land monopoly continues to deny to people their just economic inheritance.

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thing to lose and nothing to gain from the CAP, yet the losers are diffuse and ill-organised, while those who stand to profit by it constitute a powerful lobby which has the ear of politicians fearful of losing support. Thus the agricultural lobby is able to override everybody else.

There is another point involved. The main beneficiaries are not the poor, struggling European peasants; a striking recent article in *The Independent* points out that CAP "heavily favours big and capital-intensive farms against smaller, more labour-intensive, ones".

*How is it that these big farmers, a tiny minority of the agricultural interest itself, are able to override not only the consumers but also the more necessitous farmers too?*

When I was a Parliamentary candidate in a largely rural English constituency, I found the only people who had time to staff the local NFU were the big farmers, so the "farmers' lobby" is not the lobby of all the farmers, but the lobby of the rich farmers, who succeed in deluding townspeople, including politicians, that they speak for the whole agricultural community.

To be fair, however, the big

farmers are not absolutely alone. They have important allies: the fertiliser and agricultural poison ("pesticide") corporations who share both the blame and the profit.

So we return to the substance of the letter from the four organisations. Thanks to the CAP, the consumer is robbed, the taxpayer is plundered, the countryside is devastated of its wild life, the Third World is pushed ever deeper into poverty, and industrial unemployment is made even worse.

*How much longer are we all going to put up with this?*