

Lie of the Land

by Duncan Pickard, Ph.D. (2004, Shephard-Walwyn, £6.95) Review by Lindy Davies

This small, but important, book forthrightly addresses an issue that many georgists tend to shy away from: land rent and farming. It shows, in a clear and unassuming style, illustrated by a lifetime of practical observations, that “the farm question” is by no means as complex as we are sometimes led to think. A clear understanding of the nature of rent is all one needs to solve the muddle.

The “Big Lie” Pickard refers to is, in the United Kingdom, expressed in a well-known statistic called Net Farm Income (NFI). It was instituted as part of a 1947 law that provided for guaranteed prices — farm subsidies, in other words. In order to standardize its estimates of farm income, the NFI called for owner-occupied farms to deduct the rental value of their land (what tenant farmers must pay outright) from their annual income. But, of course, because this method made no allowance for the increasing value of land, either for rental or sale, the numbers it generated got farther from reality every year, until now the English countryside is full of profitable farms that maintain a *negative* Net Income.

These statistics, Pickard shows, drastically understate the well-being of farmers who own their land — and hide the devastating economic pressures on tenant farmers. It is a self-reinforcing system: the best thing an English farmer can do with any extra income is to buy some more land. Even better if the land he buys is *less* productive, for then he can contract his productive work on his better land, yet report a *lower* Net Income and draw more subsidies (eyeing, all the while, the glad prospect of future sales).

Farmers, Pickard points out, are by no means under-taxed; they pay the taxes themselves, and they bear the ever-increasing burden of tallying them up. So, farmers who actually farm would lose nothing, and gain a great deal, from shifting to the collection of rent for public revenue. “Those who farm the land would own it and those who own the land would farm it.”

In his afterword, Russell Banks highlights the relevance of Pickard’s work to the discussion of globalization. The politics of farm subsidy, he observes, is just another Malthusian subterfuge, relying on the notion that people cannot take care of themselves. The simple fact is that *they can* — when allowed free access to land, and unburdened by the double weights of taxation and rent. The concealment of this truth demands great obfuscatory exertions in the fields of economics and law. **GJ**

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