

LAND

and LIBERTY

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Double standards

SOCIALISM is idealistic in philosophy and lousy in practice.

It is easy for the West to poke fun by pointing to the gross inefficiencies of East European economies. All too often, however, ardent defenders of the capitalist system turn blind eyes to the shortcomings in the market economy.

That won't do.

Consistent failure to reform capitalism has created the opportunities for revolutionary socialists. That has happened because the vested interests - those who make their monopoly profits by clamping brakes on the market - have shaped policy on the basis of double standards.

PUBLICLY they vigorously advocate the virtues of the free market - that it generates efficiency, protects individual liberty, maximises consumer satisfaction, and so on.

PRIVATELY, they shape the terms of debate to ensure that their activities are exempted from the uncertainties that are a necessary ingredient of a free market. Nowhere is this better illustrated than in agriculture.

In Europe, the Economic Community whose Treaty of Rome enshrines the principles of free trade spends most of its money to undermine the market.

Take, for example, the European Commission's new structure plan, which addresses the problem of the use of land.

One proposal which the Commission wants implemented within the next six months is that farmers aged 55 or over who deploy their land for non-agricultural purposes (such as forestry) should be granted early-retirement pensions.

Result: the market is prevented from allocating land according to its best use. Thus, a tired farmer on highly-productive land could decide to withdraw from production, stick trees on his land ... and pick up his pension. This pushes up the average cost of producing food, and the consumer picks up the tab.

Another proposal is that subsidies should be paid to farmers in environmentally sensitive areas who follow "environment-friendly practices".

Result: bureaucratic criteria intervene to identify "environment-sensitive" areas, and therefore who should receive hand-outs from the taxpayer.

Has anyone heard of a government paying industry for adopting "environment-sensitive" policies? The benefits of the free market, it seems, are strictly for those who are not already well-insured against its dynamism.

Non-market solutions succeed only in creating additional problems.

Consider the question of equity. In the United States, the set-aside program has been exposed as an arbitrary process in which the richest farmers or corporations get most of the taxpayers' money.

But anomalies in the Western economy are not intrinsic defects in the market system *per se*; they are the result of a failure to structure the economy correctly.

The 19th century industrial economy which is execrated by the Marxists was inadequate; it was never completely free, and its excesses were directly attributable to the exercise of that monopoly power which would be destroyed by an efficiently functioning free market.

Yet whenever the banner of reform is raised, the vested interests cry Foul!

Forked tongues are used to defend the anomalies. For example, the European Commission pompously claims that farmers need to acquire a better understanding of their role in the conservation of the rural environment.

In fact, most of the damage is caused by the poison of protectionism and tax privileges.

● Farmers have been PAID to mine their land with less regard for the principles of conservation which they have traditionally observed.

● In Britain, rare species of plants and animals on the moorlands are threatened by the extensive planting of trees by urbanites who are encouraged to wreck the wilderness to take advantage of the tax benefits from forestry.

Is it surprising that self-righteous socialists feel that they have a counter-case for ridicule?