

FIGHTING TYRANNY

ROME: The Vatican has published a 59-page pamphlet dealing with the THEOLOGY OF LIBERATION — a call for religious activism in the struggle for improving the living conditions of the world's impoverished citizens.

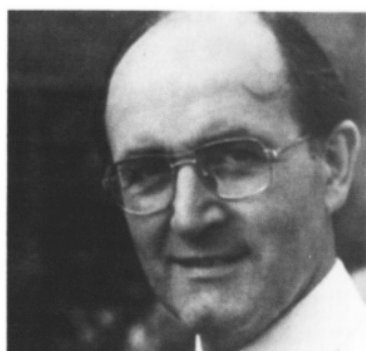
The document, *Instruction on Christian Freedom and Liberation*, states that "to put an end to an obvious and prolonged tyranny, which is gravely damaging to the fundamental rights of individuals and the common good"

people may justifiably be forced into an armed struggle. "The fight against injustice is meaningless," the Vatican warns, "unless it is waged with a view to establishing a new social and political order in conformity with the demands of justice."

While not offering any specific alternatives, the document condemns shortcomings of both capitalism and Marxism.

End in sight for 'unwanted food' subsidies

BY DUNCAN PICKARD



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away would have become unnecessary. Interest on capital and wages for labour and enterprise — that is, more intensive production — would have become the cornerstones of the economy.

James Meenan, unlike Raymond Crotty, does not allow his observations on land allocation to lead him to this conclusion, however.

The Land Purchase Acts had abolished "a pernicious form of land tenure" and created "the conditions in which progress became possible". Though he stresses that this "could not and did not guarantee improvement", he does not say that it actively stands in the way of improvement.

In this view he is in line with the succession of policy-makers since 1922. Several alternative cures for the country's economic ailments have therefore been tried, but each has been found wanting.

REFERENCES

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2. L.M. Cullen, *An Economic History of Ireland Since 1660*, Batsford, 1972, p. 167.
3. *Ibid.*, p. 156.
4. Henry George, *Progress and Poverty*, New York, 1879.
5. Meenan, *op. cit.*, p. 307.
6. *Studies*, Dublin, September 1936.
7. R. Crotty, *Irish Agricultural Production*, Cork, 1966, p. 70.
8. T. J. Byres in Lehmann, D. (ed.) *Agrarian Reform and Agrarian Reformism*, Faber and Faber, 1974.

ONE decision reached at the Tokyo summit meeting of the leaders of the seven leading Western industrialised countries has received little attention but has serious implications for international trade, food prices and farm incomes. That is the decision to arrest the ever-increasing cost of subsidising farmers to produce food for which there is no genuine market.

Those seven leaders acknowledged that unless surpluses are curbed there will be a trade war, especially between the U.S.A. and the E.E.C., which will begin with agricultural produce but quickly spread to other commodities. Already the accession of Spain and Portugal to the E.E.C. has produced angry reactions in the U.S.A. because U.S. feed grains are prevented from entering those countries by import duties.

The current high cost of subsidising farmers in western countries to produce food (estimated at \$100 billion this year) was seen at the Tokyo summit as unimportant compared with the huge potential cost of an international trade war.

As a consequence, the O.E.C.D. in Paris has been asked to seek a solution. Officials there are seriously considering a plan which would give individual E.E.C. countries responsibility for supporting farm incomes, provided that such support does not lead to surpluses of food which at present have to be stored and disposed of at enormous cost to the E.E.C. budget.

Such a move would at least recognise that farmers in the various Common Market countries cannot compete on equal terms because they operate with different rates of interest, different systems of land tenure and different taxation laws.

Despite the fact that farm support costs are at a record high level, farming is in recession, particularly in the U.S.A. Land prices in Iowa have fallen from \$3,600 a few years ago to only \$600 this year. Many farmers are bankrupt and are embittered at losing their traditional grain markets as a result of what they see as irresponsible expansion of production in Europe.

It is hard to believe that decades of support for farm incomes have led to bankruptcy, despair and even suicide amongst farmers whose incomes have recently declined and continue to fall. It is almost certain that many farmers in Europe will face the same problems as their American counterparts.

The main reason for the fall in net farm incomes is not that the price of agricultural produce is too low, nor that the grants and subsidies are insufficient. It is the fixed costs of farming, mainly rents and interest charges, which have soared in the last 10 years. Unless these are reduced many farmers will not recover from their desperate financial plight.

Prospects are not hopeful, because there is no official recognition that all attempts to enrich poor farmers by subsidising farm production are doomed to failure.

It has been estimated that about 90% of all the money which has been given to support farm incomes has been capitalised into land prices and rents. There is no limit to the amount of money which can be absorbed by land prices and rents, and it is obvious to anyone with more than a passing acquaintance with farming that those farmers who own their land have benefited from the grants and subsidies whereas tenants and nominal owners (i.e. recent purchasers who are called owners but are in fact the tenants of the bank or mortgage corporation) are the ones in trouble.

Although land prices have fallen in the U.K. over the last year, they would be lower still but for the grants and subsidies and are still above the price at which anyone could buy land, finance the purchase by borrowing and make a living from the land.

There is no doubt that western governments intend to cut their financial support for farming; how the impact is felt by individual farmers will depend on the way their farms are currently financed, not on their degree of technical efficiency.