

'Support' system fallacies

THIS BOOK is rewarding for all who have an interest in agricultural policy. Richard Howarth has exposed, with compelling statistical evidence, the fallacies of the present 'support' system for farming in the European Community.

He has confirmed that all the money which has been poured into agriculture in the past 30 years has not been of much benefit to working farmers. The major beneficiaries have been land owners because the grants and subsidies have become capitalised into land prices and rents.

According to Richard Howarth, the reason why farm incomes have failed to match those in other comparable occupations is that farmers are prepared to exist on low incomes because of the non-pecuniary advantages of farm life. This results in more farmers sharing the total agricultural income.

The logical conclusion of this analysis is that if there were fewer farmers, those remaining would be better off. But this does not square with his clear demonstration that agricultural monetary 'support' quickly becomes capitalised into land prices.

Surely the landowners would con-

D. W. PICKARD finds food for thought in *Farming for Farmers?* by Richard Howarth

tinue to claim the surplus income derived from grants and subsidies, however small the number of farmers?

In fact, since 1972 there has been a decrease in net farm incomes despite a considerable reduction in the number of full time farmers, and this was accompanied by a dramatic rise in the price of land.

	Number of Full-Time Farmers (000)	Real Net Farm Income per Farmer (£)	Land Prices (£/acre)
1972	229	594	555
	229	770	800
	214	598	682
	212	618	584
	219	648	796
	212	599	1013
	216	523	1365
	215	423	1831
	208	341	1907
	204	387	1831
203	512	1901	
1983	201	423	2197

Richard Howarth has a clear appreciation that politics is perhaps more important than economics in agriculture, and in his chapter on the Politics of Agriculture, he has assessed the power of the agricultural vote. He comes to the conclusion that the Conservative Party has little to lose by trying to reform agricultural policy, Labour has no justification for giving special treatment to farmers and only the Liberals would be seriously affected by trying to liberalise farming.

Part of Richard Howarth's solution is the phasing out of agricultural 'support'. In this he is correct; but without thorough reform of a taxation system which encourages investment in land and discriminates against the wage-earner, the 'farm problem' will always remain. Site value rating is the only way of ensuring that those who do the work derive the benefits in farming rather than those who own the land.

EXPLOITATION THAT DENIED

WORKERS

handloom weaving for example – were destroyed by technological change. That sort of thing has always been going on.

The price of any kind of improvement of production in any kind of society – primitive or feudal, capitalist or socialist – is that some people will find that the jobs for which they have been trained will fold up under them. This is hard on the people concerned, but there is no remedy except to block all improvements.

What was much harder on them; what rendered them destitute and desperate in the days of Luddite riots; was the fact that they had no alternative means of livelihood. The reason for that? Perhaps you have already guessed.

So we return to the general point.

Yes, on the whole, industrialism probably improved living standards all round. Yes, the poorer classes were robbed and exploited mercilessly. The remedies which the victims tended to seek were palliatives, not cures.

Everything from Factory Acts and parliamentary democracy to trade unionism and bloody revolution may or may not have been of some advantage, but none of them could get to the roots of the trouble.

Then, as in all societies of which we have historical record, the most fundamental mechanism of exploitation lay in denying labour free access to land.

Whatever you do to landlords or

capitalists – even if you treat them as brutally as the Russian revolutionaries did after 1917 – you won't destroy exploitation and social injustice unless you give labour its free access to land. The victims of Stalin's tyranny saw that fact all too clearly.

Nobody would suggest that a good land system would have enabled people to come through the "Industrial Revolution" without some troubles and dislocations; but what is quite clear is that a great many ills and afflictions which arose during that period which at first sight had nothing to do with land did really spring from the tenurial system.

Unless and until that system is fundamentally remedied, avoidable miseries will go on arising in any kind of society.