



• Richard Bate

# Nasty catch of creeping alfalfa

FARMERS in the United States love the "set aside" programme that raises their incomes while cutting production, writes Peter Poole.

They are literally paid not to produce food. Now Britain proposes to follow suit, in a bid to cut the food mountains which – across Europe – cost the taxpayers £250m a week just to store the stuff before it's fed to pigs, sold at knock down prices to the Russians or ploughed back into the ground.

Mrs Thatcher's free enterprise government wants to cut back on food subsidies. The plan is to pay farmers to reduce by 20% their land devoted to cereals, or cut their beef herds by 20%.

*This policy, however, has nothing to do with market economics, and everything to do with politics. And it will fail, insists Richard Bate of the Council for the Protection of*

Rural England.

• Drawing on evidence from the USA, we can expect the most marginal land to be set aside, so the cut in output will be far less than 20%.

• There is nothing to stop farmers from intensifying production on the remaining 80% of their land.

• Some farmers are already bringing extra acres into cultivation, so that they can be paid to set it aside again.

"Production will therefore not come down very much," declares Mr Bate. "Nor will the cost to the Exchequer." Joseph Heller satirised the "set aside" logic in *Catch 22*:

*He was a long limbed farmer, a God-fearing, freedom-loving, law-abiding rugged individualist who held that the federal aid to anyone but farmers was creeping*

*socialism...*

*His speciality was alfalfa, and he made a good thing out of not growing any. The Government paid him well for every bushel of alfalfa he did not grow. The more alfalfa he did not grow, the more money the Government gave him, and he spent every penny he didn't earn on new land to increase the amount of alfalfa he did not produce...*

*He invested in land wisely and soon was not growing more alfalfa than any other man in the country.*

*He was a outspoken champion of economy in Government, provided it did not interfere with the sacred duty of the Government to pay farmers as much as they could get for all the alfalfa they produced that no one else wanted or for not producing any alfalfa at all!*

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tal of R.S.A. (Cape Town), should logically keep pace with the average growth of major towns. Instead their percentage growth has been only just over half of the average and less than half of those on S.V.R.

## COMMENTS

- Categories 1, 3 and 5 stayed on the one system of rating from 1974-1984. Their growth in total value for the ten years 1974-1984 was greater for towns on S.V.R. and least for those on Flat Rating.
- The towns in category 4 which changed to S.V.R. again showed the largest growth. This was more than double the rate of growth in Flat Rating and 66% higher than category 3 on Composite Rating.
- In the previous survey (1979) it was shown that 61.6% of the growth in total value took

place in towns on S.V.R. This has now increased to 69.4% (total valuation).

- After the previous survey was published in the S.A. Treasurer there were several comments to the extent that the results were unreliable because of a major weakness in the relative Cape Ordinance. This allows for updating the valuation roll on a ten years basis. In addition when new valuation rolls appear they could be three years out of date. Since all figures compared in both surveys cover a ten or twenty year period any lag in figures should average out. However this study is spaced by five years from the former and still shows the same trends.
- The conclusions confirm experience reported from similar studies in the U.S.A. and Australia, namely that imposing taxes on the unimproved value of land, or site value only, discourages land speculation and the withholding of land from use: they encourage increased utilization of land and economic growth.