

# LETTERS

## WHAT A COMMUNITY!

SIR,—If one thing stands out like a sore thumb in the European Economic Community, it is the chaotic, privileged and blatantly subsidised agricultural sector.

It is chaotic because farmers are producing artificial, indisposable surpluses, contrary to the sound economics of supply and demand; it is privileged because protection money is levied on the people's imported food, providing a vast protection racket more brazen and effective than anything Al Capone ever thought up; and it is blatantly subsidised because the people have been brainwashed into believing that it is "their" agriculture, "their" farm prices and "their" interests that are being fostered,—so that they cheer every time their pockets are picked.

But that is only half the story—and the lesser half at that. Let me pose a question: Why is it that agriculture is so heavily subsidised in Europe and the United States? The political innocents will say it is because food is more important than anything else and that we would die without it (as though subsidisation was economically more effective than normal supply and demand in keeping people fed). The political wise guys will tell you it is the farmers' votes that blackmail governments into subsidising them. Only an economist of the Ricardian breed can tell you the real reason.

One of Ricardo's most quotable bits of economic wisdom is: "Rent is high because corn is high—not corn high because rent is high," or words to that effect. So, subsidies, protection from competition, and guaranteed markets increase the returns to agriculture. Increased



returns to agriculture mean higher land rents (whether enjoyed in kind or in payment).

Who then are the ultimate bene-

ficiaries? The landowners. Farmers as farmers are just as much victims of this subsidy—protection—land racket as the rest of us, but they will take longer to see it and will probably have to ponder for many a sleepless night wondering why, in spite of "farming" subsidies, rate relief, protection, etc., they are no better off.

Join the Common Market and subsidise foreign landlords? What kind of people do they think we are—Irishmen?

Yours faithfully,

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## STOP IT!

SIR,—The prospect of membership of the E.E.C. is meeting with diminishing enthusiasm from the British public according to a Gallup poll carried out for *The Daily Telegraph* in September.

The poll showed that 57 per cent of the people are opposed to Britain's entry, as against only 22 per cent in March 1965. The number of people still supporting entry has fallen from 57 per cent to 26 per cent. The remaining 17 per cent are "don't-knows."

On this evidence of a significantly changing public opinion it is hard to believe that pro-market party policies could remain unchanged with the approach of a general election. But which party will be first to realise the political as well as economic wisdom of dropping the now discredited idea?

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## FARMING NOT SO FREE

SIR,—May I make a brief comment on your News Comment item "A Real Welfare State for U.S. Farmers," in the July/August issue (page 85).

The Farm Bureau prates about a "free market," but they by no means advocate an end to government subsidies! They would merely replace the present system with another type, which they call "land retirement," paying land-holders through a lease arrangement, to hold

fifty million or more acres idle, hoping, then, that the remaining land would produce no more than enough to command a "fair" price. This is hardly "an end to government subsidies and a return to the free market!"

It is questionable whether Farm Bureau is "the country's largest farm organisation." A great many of their members are rural residents who join in order to qualify for enrolment in a health insurance program, or some other business scheme. And many of the members are retired farmers who are now merely rent-collectors, or even landowners who never did actually farm themselves! Cook County, for instance, has the largest FB membership of any county in Illinois—but Cook County is almost completely covered by Chicago and its suburbs, leaving little for farm land. Of course, if we include Armour's, Swift, Wilsons (meat packing), International Harvester, Chicago Board of Trade (grain speculation), etc., as farmers, we could admit that Cook County is a great farming community!

Yours faithfully

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Columbus Grove, Ohio.

To  
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and  
Contributors  
we extend  
Our Best Wishes  
for a  
Happy Christmas  
and a  
Prosperous  
New Year