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PERSPECTIVE

Feeling Their Oats

How inspiring it was to see nearly two dozen representatives of the poorest nations' governments walk out of September's World Trade Organization meeting to protest the rich countries' subsidies to farmers. I don't say this lightly. Governments rarely inspire anything in me. But here was a group of governments that finally put diplomatic niceties aside and identified the Western governments' hypocrisy for what it is.


We're much more accustomed to hearing rulers in the developing world browbeat us about our meager "foreign aid" or our consumption of the "world's" resources. So it was refreshing to see them object to intervention in agriculture, that most egregious violation of free-market principles.

U.S. officials especially like to deliver lectures on the virtues of free trade and helping the poor. Meanwhile, they keep in place a protectionist system that delivers a double whammy to those struggling for prosperity in the developing world.

First, at the behest of wealthy and well-connected farmers, the U.S. government maintains a variety of quotas and tariffs on imported agricultural products. (The same is true for textiles and apparel.) These interventions raise prices in the United States and constrict the export market to the detriment of people who might otherwise climb out of poverty. (For example, Brazilian sugar growers could produce twice as much and employ more people were it not for American quotas—a favor to U.S. sugar producers that raises the price to consumers.)

Second, subsidies to the growers of cotton, rice, peanuts, corn, and other crops throttle agricultural development in Africa, Asia, and Latin America. How can farmers there compete with American and European farmers when Western governments finance the overproduction of crops, which are then dumped in the poor countries at low prices?

Subsidies also cost the American taxpayers dearly. "The federal government doled out more than \$114 billion in farm subsidies



nationwide from 1995 through 2002,” the *Lincoln* (Nebraska) *Journal Star* reported recently.

The hypocrisy about helping the poor has a domestic dimension also. Virtually all politicians promise to end poverty and help “working families.” Yet they never advocate scrapping the tariffs and quotas that, by design, make it more expensive to buy food and clothing. Couldn’t we have free trade—for the children?

Some farmers will say they couldn’t get along without government help. Humbug. As columnist Deroy Murdock wrote, “Washington does not finance broccoli, chickens, lettuce or tomatoes. Yet somehow Americans devour these items daily. Those who propagate them earn profits or at least have the decency not to whimper about their losses to their congressmen.”

The governments that halted the WTO meeting certainly do not have exemplary records on trade or other aspects of freedom. Their countries wouldn’t be so poor if they did. But that doesn’t make them wrong in this instance. It would be nice if the so-called capitalist countries would lead by example. Nothing is more damaging to the case for freedom than hypocrisy.

* * *

A remarkable Canadian woman saw what was wrong with government schools in the 1950s, but she didn’t quite see the solution. Daniel Hager introduces this unsung hero.

It’s been said many times: incentives mat-

ter. Ralph Hood shows how incentives in the form of contests have produced advances in aviation.

And speaking of aviation, William Zieburz marvels at all the trouble people go to just so he can fly.

Social Security is built on a foundation of myths. John Attarian says that until the myths are understood as such, solutions to the pension problem will remain flawed.

In a classic reprint from 1955, Dean Russell describes the coming of age of a capitalist.

When unemployment rises, the first call is to “save jobs.” As if the government were capable of doing such a thing. Timothy Terrell explains.

Scanning the world, it’s increasingly clear that what the have-nots lack is capitalism. So writes Andrew Bernstein.

In the columns: FEE President Richard Ebeling assesses the 90-year record of the Federal Reserve. Lawrence Reed reports on an incentive-based approach to organ donation. Thomas Szasz exposes a gap in the ACLU’s protection of civil liberties. Burton Folsom finds some lessons in the integration of baseball. Charles Baird unmask the National Apprenticeship Act. And Donald Boudreaux, seeing the assertion that the state is the source of rights, responds, “It Just Ain’t So!”

Books reviewed this month explore Stalin at war, the history of socialism, and the market process.

The 2003 index begins on page 41.

—SHELDON RICHMAN

You may have noticed that your magazine has returned to its previous name, *The Freeman* with “Ideas on Liberty” as its subtitle. As the flagship of FEE, *The Freeman* has supplied, month after month, some of the finest contributions to our understanding of the principles and applications of the philosophy of freedom.

The Freeman captures in a single phrase the concept that guides everything we do at the Foundation for Economic Education—the case for the free and responsible individual.

At this holiday time of the year, remember to think of *The Freeman* as that perfect gift for helping to widen the circle of people who might benefit from being introduced to the freedom philosophy. Together, we can make freedom triumphant in the 21st century.

—Richard M. Ebeling