

Are These Our Neighbours?

**People who need financial help
from governments.**

*The compassion of human beings is for their
neighbour.*

Sirach 18. 13.

When in disaster they cry for help.

Job 30. 24

Background

(Although forms of subsidy occur in fishing, forestry, industry and by social policy this backgrounder refers principally to agriculture).

From earliest times people have shown a desire to help others regardless of any directive from religions. In human nature there are always some restrictions. Here are three examples. The first desire is to help people within the family. Secondly people are more likely to help those who may be able to return help in the future. Thirdly, the desire to help is directed towards those who display good characteristics whatever the word good determines.

As societies developed these principles have been distilled to apply to communities and then to groups with likeminded activities, agricultural or industrial. In this case, the purpose of the local authority is to protect its producers and their products against outside pressures.

As an example in agriculture, the costs of producing a crop will vary from district to district and from country to country. Farmers in one country may need financial support in their crop production to compete with products from another country. Subsidies can be provided in many ways sometimes keyed to a particular problem e.g. transportation.

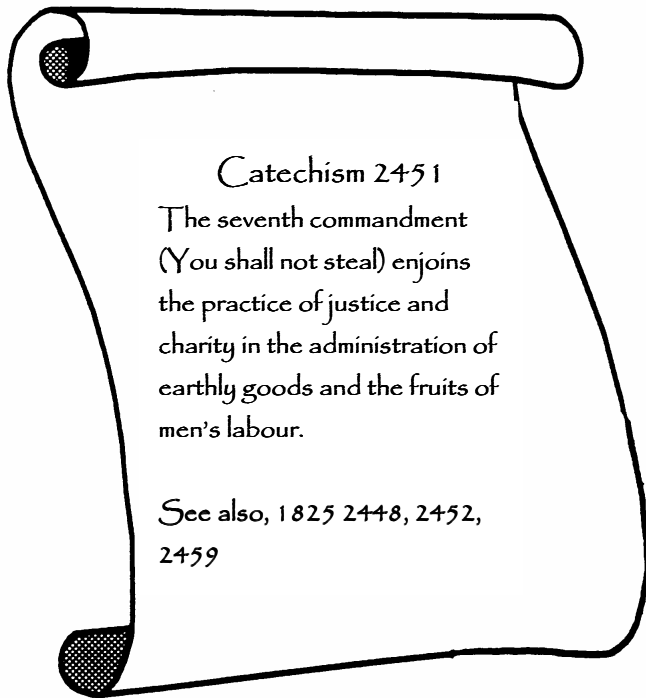
The example is equally true with industrial production. Various factors, applicable to agriculture and industry, such as costs of raw materials, transportation and labour, will affect the product price. Higher production costs may force one country's producers out of business because of the availability of cheaper imported products. They may also prevent local producers from competing in export markets. Agriculture is additionally subject to the frequently disastrous vagaries of nature requiring further subsidies in order to survive.

Problems

1. Subsidies can cause over supply, i.e. the farmer will plant crops bringing the best return, including subsidy, without regard to market needs and prices.
2. Subsidies once established tend to create dependent entrenched interests which will fight their removal long after their original purpose has been achieved or the program has failed.
3. Farmers in the developing world cannot compete, even in their local markets, with subsidized developed world products. They are forced off their land with disastrous results for themselves and the urban slums into which they migrate (often without the skills to earn a living).
4. In the everyday world, many people are suspicious or jealous of any person or group who seems to be receiving government financial help that they themselves are not getting. Examples, debatable as they are, include special benefits for all seniors, payments made to First Nations people under treaty rights, relief at times of natural disasters.

Definition A subsidy is financial assistance or support expected from the government by any group.





Catechism 2451

The seventh commandment (You shall not steal) enjoins the practice of justice and charity in the administration of earthly goods and the fruits of men's labour.

See also, 1825 2448, 2452, 2459

“We must not fail to help our neighbours, because in them we serve Jesus”

Rose of Lima

“The state has a duty to sustain business activities by creating conditions which will ensure job opportunities, by stimulating those activities where they are lacking or by supporting them in moments of crisis”.

John Paul II

References

Social Encyclicals:

Mater et magistra (Christianity and Social Progress) John XXIII 1961 paras 20 173

Populorum Progressio (The Development of Peoples) Paul VI 1967 paras 52 –70

Justice in the World Synod of Bishops 1971 para 66

The Farm Crisis, Bigger Farms and the Myth of Competition and Efficiency, NFU

Various cereal marketing agencies ex Canadian Wheat Board.

Role of subsidies in the European Union, NFU

Special reference re wheat production figures

	Estimated % Producer Support (i.e.subsidy) for wheat by region			Wheat producing Countries	
	86 – 88	96-98	98 prov	% of world's total	% exported
Australia	8	5	4	3.7	84.6
Canada	45	11	9	4.3	75
E.U.	54	46	56	16.7	17.9
U.S.A.	50	28	38	11.1	49

Source: Organization for Economic Co-operation & Development

Source: United States Department of Agriculture

1998 Total world production 533,194,000 tonnes. Total world exports 100,164,000 tonnes

Speaker Resource

Provincial and local representatives of farm organizations involved in subsidy debate.

Representatives of political parties.

Discussion

1. To what extent can we said to be our brother's keeper?
2. Can or should our society struggle to live without subsidies?
3. Is the redistribution of wealth through tax policies a form of subsidy?

Actions

Study, preferably in small groups, the statements of modern faith groups concerning the power of politicians and economists to turn everyone's life into one of acquiring monetary wealth.

