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It's because of socialism you fools [1]

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This is a classic headline from The Guardian [3]:

> Venezuela food shortages: 'No one can explain why a rich country has no food'

Absolutely anyojne can tell you why a potentially rich country like Venezuela has no food: it's the socialism you fools!

Of course, given that the Guardianistas are all currently weeping with joy over the Miliboy's propsals to bring back socialism and price controls we'd perhaps not expect them to note this particular point but that just means that we'll have to do it for them.

> For Oliveros, an additional cause for the shortage of basic food staples is the decrease in agricultural production resulting from seized companies and land expropriations. "More than 3m hectares were expropriated during 2004-2010. That and overvalued exchange rate destroyed agriculture. It's cheaper to import than it is to produce. That's a perverse model that kills off any productivity," he says.

Well quite, stealing the land from people who are farming it so that it then doesn't get farmed isn't going to increase food production. But there's a much more basic point that we should make as well. Governments fixing prices can have one of two effects. If prices are set too high then we get the vast wine lakes and butter mountains of the old EEC. And if prices are fixed below market rates then we get shortages. Of course it's impossible for government to get the price just right for it lacks the information to be able to do so: and even if it had it there's no point in fixing prices at what would be the market rate anyway.

And we can go a stage deeper too. Perhaps it's true that some people in Britain find electricity too expensive, perhaps some people in Venezuela are too poor to be able to afford a decent diet. If those are situations that you want to try and remedy then the solution is to give those people more money to purchase those things on the market. What you don't do is go and screw up a functioning market through price contols or any other regulatory nightmares so that no one has access to those desirable things.

A point that rather puts the kibosh on "predistribution" really.

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